INDIAN AFFAIRS: Two Reserves, Two Realities

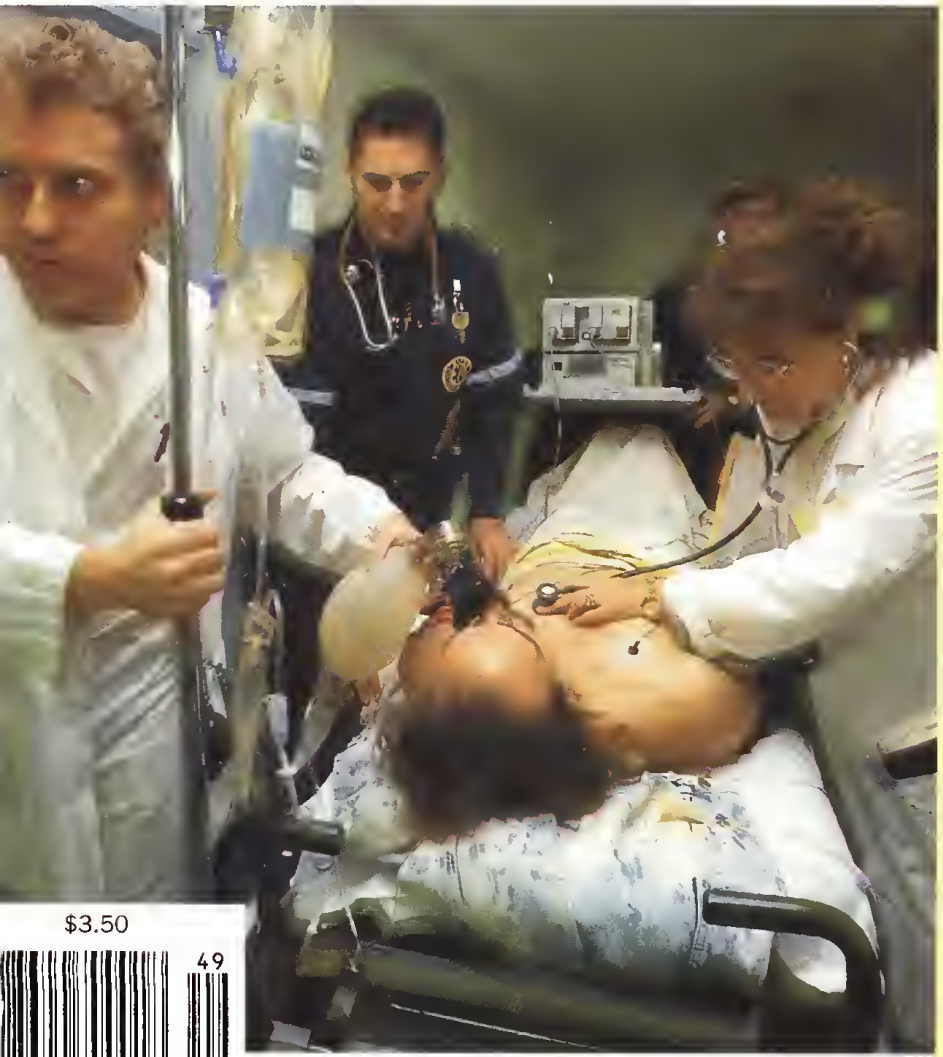
CANADA'S WEEKLY NEWSMAGAZINE

Maclean's

DECEMBER 2, 1996

A Special Report with THE NATIONAL

RADICAL SURGERY



THE ISSUE:
How Ottawa's policies threaten medicare as we know it

THE MOOD:
A *Maclean's*/*Medical Post* poll on health care

THE PROGNOSIS:
A *Maclean's*/CBC forum on the future

PLUS:
Toronto and Buffalo: A tale of two hospitals

The home-care option

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Maclean's CANADA'S WEEKLY NEWSMAGAZINE

This Week

DECEMBER 2 1996 VOL 109 NO 49

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Columns

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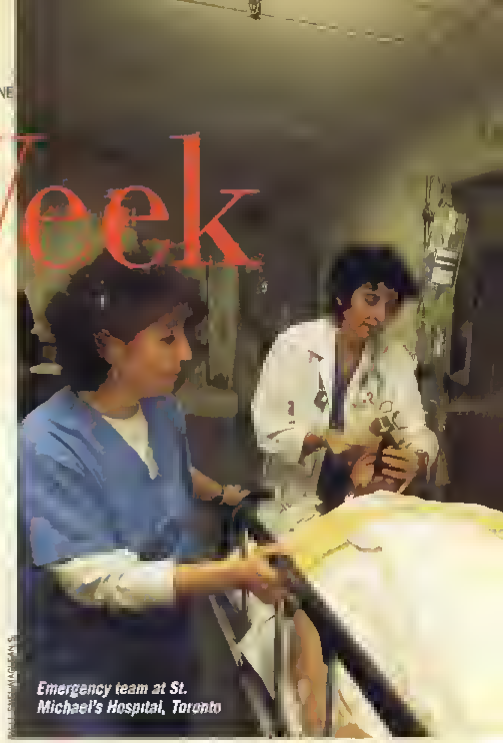
Radical surgery

Canadian health care may be among the best but medicare, barely 30 years old, is enfeebled by nationwide "reforms" driven by bottom-line dollar politics. *Maclean's* reports on the fallout, and the outlook



Emergency team at St. Michael's Hospital, Toronto

From The Editor

The end of medicare?

As any citizen who has come within a breath of a hospital lately knows, there is no longer a national medicare system in Canada. Coverage differs from province to province. Provinces are bending the law by refusing to cover bills for Canadians visiting from other regions of the country. The level of care in northern New Brunswick is radically different from that in downtown Vancouver. Harvey Bass, an optometrist in Perth Andover, N.B., who sat on the community's now-disbanded hospital board, says bluntly: "It seems clear that before long you're going to have to travel to the city to get your medical care—and people are going to die."

Mollins (centre) with project staff: the need for reform

What is little understood is that the federal government took fully $7.2 billion out of the system in 1995-1996 and, with precious little debate, has gotten away with dumping the consequences at the doors of the provinces (page 44). They, in turn, have largely washed their hands of those consequences, leaving a series of unelected regional health authorities to cope with the impact. In New Brunswick last year, one cabinet member told an unpaid citizen volunteer on a community health board that *she* could damn well go to a meeting of angry residents to explain recent cutbacks—but *he* was not attending any more gripe sessions.

The slash and burn happened before anyone decided what curative measures could be introduced in an orderly way. Instead, the once-proud health-care system—the country's biggest single service industry, with a payroll of 750,000 before the layoffs began—is battered and bruised. That it has any life at all is due entirely to the dedication of doctors and nurses and others who are working extra hours under impossible circumstances.

Few can take issue with the need for reform. The national hospital insurance program of the 1950s and the comprehensive medicare insurance a decade later, retained the traditional central role of the hospital, the fee-for-service practice in doctoring and the hierarchical structure in the delivery of care. The result is a compartmentalized system often encumbered by duplication of services, waste and inefficiency.

Provincial governments and taxpayers, footing the bulk of the bills, are now understandably intent on exercising cost control. But most are trying to force reform by closing hospitals and cutting back physician fees, instead of first tackling waste at the roots—building up community and home care as less costly alternatives to hospitalization, persuading doctors to accept payments based on the number of patients served, developing a team approach to patient care.

What is conspicuously missing amid the cut first confusion is political leadership of the kind that produced medicare three decades ago. By pinching the federal purse, Ottawa has effectively lost its voice and relinquished its right to insist on maintaining national standards. Most provinces, in turn, are downloading the problem. The retreat from responsibility bespeaks balkanization. In the resultant political vacuum, it is left to Canadian society at large to somehow assert the community values that, according to polling evidence in this week's cover report, most people want to preserve.

Robert Lewis

Newsroom Notes:

The reporting team

Work at *Maclean's* on this week's cover package has been animated by countless corridor conversations about personal experiences with the health-care system. A father confronting the home-care dilemma, a friend seriously injured in an accident, a sister with a broken leg, several cases of cancer—all have brought the staff and their families into direct contact with the system, and reality. General Editor Carl Mollins, who directed the 25 member team of editors, reporters and photographers, notes: "Canadian medicare may well survive the mess that it is in. But even the optimists believe that the recuperation will take years. In the meantime, the parlous state of the system is dangerous to the health of Canadians." In addition to reports on each province, the package includes a poll on the national mood about health care (grim) and highlights of a forum that also will air for three nights on CBC TV's *The National* starting on Nov. 26. Senior Writer Joe Chidley observes: "The biggest debt we owe is to the scores of people who granted us interviews and whose insights helped to shape our thinking on this complicated and important issue." Contributing to the reports were Glen Allen, Doug Beazley, Brian Bergman, Brian Bethune, Mark Cardwell, Elaine Flaherty, Susanne Hiller and Mary Nemeth. Most of the research and checking was done by Researcher-Reporter Jonathan Harris and the designer was Assistant Art Director John Edney.

The Mail

PETER BREGG/MACLEAN'S

Gzowski: CBC Radio programs keep us whole

Home with Gzowski

I am angry. I have stood by and watched all levels of government cut back essential services, thinking, "Well, it will be hard, but they must know what they are doing." I was wrong. I depend on our national radio for in-depth coverage of news, views and music that I cannot get elsewhere. These programs are the touchstones of my life. When I moved to British Columbia from Alberta, I felt adrift and alone. One day, I was idly turning my radio dial when I happened upon the familiar tones of Peter Gzowski. Instantly, I felt relaxed, smiling. I was home. CBC Radio programs do not need tinkering ("Gzowski's last stand," Cover, Nov. 18). They are not broken, they keep us whole. To listen to CBC Radio is to be personally connected to my whole country. I know I am not alone in this view, so why is no one listening at the top?

Pam Grover,
Surrey, B.C.

I don't need more news reporting in my life. I need more of the feeling that all of Canada has been welcomed into my kitchen and *Morningside* does that for me.

Elizabeth Dolan,
Calgary

Peter Gzowski has torn a page from the volumes written by Gordie Howe and Wayne Gretzky, both of whom came to believe they were bigger than their craft. The fact is these superstars were well paid for their efforts, both in dollars and fame. Gzowski has nothing to gain by taking on his employer, who has every right to call the shots.

Jim Newton
New Dundee, Ont.

In comparing audiences, and by extension, helping to justify the position of those who are fighting the cuts at the CBC, your story compares apples and oranges. While Rafe Mair may have only 453,200 listeners in Vancouver, and Charles Adler only 497,600 in Toronto, that is because they are only heard in those markets and should never have been compared with a national show. When Peter Gzowski left late-night television, I was managing CJAD and tried to get him to move to Montreal and private radio, but I am glad he turned me down. *Morningside* is some of the best radio available and worth every cent. But decades of management, union and talent inbreeding have created a separate species of broadcaster, isolated from a whole set of realities. Where are the fresh ideas that could transform the corporation? If the best alternative is a lot of bitching and complaining, then the end is near.

Ralph Lucas
Toronto

Forests and farms

Diane Francis's column "The vital industry that is largely ignored" (Nov. 11) is one of the silliest things I've read in a long time. Comparing forestry to agriculture because both industries involve plants is like comparing Francis to a cow. Both being mammals, they should serve the same purpose?

Linda Fairfield,
St. Norbert, Man.

If we heed the likes of Diane Francis, our forests will go the way of our fish. If we can't respect our natural heritage, we shall lose it.

Rosalind Orchard,
Vancouver

True, the forest industry is not appreciated, but that is because it tries so hard to look like a group of upstanding farmers, but in fact acts like plunderers. The industry insists on cutting ever more old-growth forests, which take hundreds of years to grow—hardly anything like a farmer's seasonal harvest cycle. Further, until forest companies were pressured into planting clear-cut areas, they routinely practised cut-and-run logging to which thousands of denuded hectares in British Columbia's west coast still bear witness many decades later. The last thing we need is to "nurture and coddle" the philistine among us.

Walter W. Rudeloff
Vancouver

As a retired research director of Agriculture Canada, I have long been frustrated that forestry has not been included under agriculture as it is in most other countries. Trees are just another crop, albeit our most important one, and have the same biological and economic problems as other crops. Separate departments only result in needless duplication of resources and meagre support of tree crops by politicians.

G. A. Mulligan
Ottawa

CORRECTION

In the Nov. 11 issue, *Maclean's* erred in suggesting that Johnny Woods and Hank Lassman were currently on parole and that they were kingpins. In fact, both have served their sentences for drug trafficking and are no longer on parole. *Maclean's* apologizes to Mr. Woods and Mr. Lassman for this error.

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Something deeper

In considering personal income tax cuts as a way of creating jobs (" 'The world has changed,' " Special Report, Oct 7), the government is so close and yet so far away. The traditional theory behind tax cuts is that consumers would then have more disposable income, which they could spend on goods that require labor to produce. The theory is nice, but it doesn't work in practice for three reasons. First, it results in loss of government revenue. Second, because of increasing technological efficiency, more material production does not necessarily mean more jobs. Third, there is something dubious about an economy that depends on inducing people to buy things they apparently don't need. Instead of seeing tax cuts as a Band-Aid solution, government needs to proceed from a more fundamental insight. Our present unemployment levels are an inherent structural feature of an economy that seriously underprices natural resources and energy, and the results of their consumption, and simultaneously overprices labor. The problem is something deeper than lack of consumer confidence. It is the fact that we are rewarding business for doing the wrong things. If the government eliminated taxes on income from productive labor, allowing gross wages to fall to the point where workers could continue to take home the same number of dollars, and increased taxes on natural resource and energy consumption, and on pollution, to fully compensate for lost income tax revenues, the result would be a restructured economy containing powerful incentives for business to downsize for long-term sustainability and hire more workers to add value to our remaining resources.

Les Carter
Courtenay, B.C.

Finance Minister Paul Martin: so close

Improper response

I can't believe my anger after reading Allan Fotheringham's knocking of Toronto's selection by *Fortune* magazine as the best city in the world to live in ("The newest best city in the world," Nov. 4). The proper reaction for all Canadians should be pride in the fact that one of our cities was accorded this honor. Instead of listing his tired and ignorant complaints about this great city, he might have noted that Toronto is the third-largest English theatre centre in the world, has one of the best international film festivals, a major jazz festival, theatre and literature festivals, is home to a major orchestra, a ballet company and at least two opera companies, all with well-earned reputations, a major art gallery and two major museums. All the foregoing weighed heavily in *Fortune*'s selection process. And contrary to the misinformed columnist's statement, we are all aware of the lake via attendance at the Canadian National Exhibition, Ontario Place, the lush Toronto Islands, attractions at the popular Harbourfront complex or just walking or biking along one of the most extensive waterfront walkways in Canada.

Clint Ward
Toronto ▣

Bashing back

Werner Zuercher asks where else in the world can a minority go unpunished for bashing a majority on a daily basis ("Long-suffering Quebecers," The Road Ahead, Nov. 4)? How about Quebec for starters. Mr. Zuercher is, understandably, perceiving the issues he addresses from a distinctly Quebecois point of view. He calls the James Bay agreement "more than generous," while referring to the obscenity known as Churchill Falls as only a "legal contract." To this narrow view, publishing photographs of anti-English graffiti is slander rather than journalism, native Canadians "pawns" instead of citizens voicing their concerns, and the support of Canadian unity becomes "anti-separatism." Reality is this: the French language and culture are as protected as the people in Quebec want them to be. A third referendum or a 30th, there are enough thinking people in Quebec to realize just where the hate propaganda is coming from.

Michael W. McLean
Rexdale, Ont.

"Long-suffering Quebecers" says Quebec anglophones are indulging in Quebec-bashing but fails to mention the bashing began from the Quebec side in the time of former premier Jacques Parizeau and then-Bloc Québécois Leader Lucien Bouchard. In fact, the best-treated minority in the world are the francophones by the anglophone majority of Canadians. The letter makes a point of Quebec's remaining peaceful while the English lie to them and treat them badly. I remember when they were not so peaceful, when they put dynamite in mailboxes and kidnapped and killed Pierre Laporte. True, these hooligans did not represent the francophone population, but they pretended to speak for them. I agree many French Canadians in Quebec suffered economically, but much of that was the result of their own leaders, who kept them in ignorance of what was happening in the rest of the world. The solution to the problem is compromise, but how can it happen when the Quebec premier says that nothing Canada can offer him is acceptable unless Quebec attains complete separation?

Max Feldman
Montreal

Inclusive choice

If I had to choose between Hillary Rodham Clinton's "far-left, statist society" ("Cherchez la femme in the presidential race," Column, Nov. 4), and the world Barbara Amiel and her husband, Conrad Black, espouse and embody, I'd opt for Clinton's empathetic, inclusionary impulses any day.

Jan Michael Sherman
Watson Lake, Yukon

Trojan gift horse

How ironic that one week after Diane Francis's column ('Children suffer while their parents bicker," Oct. 14), you headline a story "The secret summit." As Francis correctly points out, the national unity problem is really about provincial sovereignty and division of powers rather than special status for Quebec. The federal government has traditionally addressed this problem by showering Quebec with gifts, thereby casting Quebec as the antagonist and distracting the public from the real problem, which is structural in nature.

Al Mussell
St. Paul, Minn. ▣

Mixed message

As a young person who is still in high school, I am opposed to liquor advertising on television ("The booze tube debate," Business, Oct. 21). These kinds of messages may seem harmless, but lives are being affected. Alcohol is a drug and should be treated as such.

Christina Lowing,
Yellowknife

THE MAIL

Celtic Canucks

Congratulations are in order to Prof Michael Kenneally on his efforts to promote Irish studies in Montreal ("Irish influences," Opening Notes, Nov 11). His statement that the history of the Irish in Canada is "certainly not taught to students" is, however, incorrect. For several years, we have been teaching courses on the Irish in Canada as part of our Celtic Studies program at the University of Toronto. Here, at least, the important contribution of the Irish to Canadian history is not neglected.

Ann Dooley,
Co-ordinator, Celtic Studies program,
University of Toronto
Toronto

Breakfast at school

"Too many hungry kids" (Canada Notes, Nov. 18) reveals that, according to a "leaked Newfoundland government-commissioned report, about half of the province's schoolchildren are likely to underachieve because they are coming to class hungry, and part of the solution lies in more school meal programs." As one of 12 impoverished children growing up in New Brunswick in the 1950s, I do not remember ever going to school hungry despite the lack of a $5-million school breakfast program. With children having both breakfast and lunch at school, why not throw in a few cots so the parents can get on with their lives without having these pesky nuisances to deal with.

Thelma Dixon,
Aurora, Ont.

Honorable mention

I wish to nominate Madelene Aksich for the *Maclean's* Honor Roll. Ms. Aksich is founder and director of the Montreal based International Children's Institute, an organization devoted to helping the war-torn lives of the children of Bosnia. She has raised private and federal funds and organized an eminent panel of child professionals with which she has visited schools in areas of conflict over the past several years. This success story is now being extended to inner-city Canadian schools.

Gordon Laurie
Charlottesville, Va.

I nominate Dr. Marion (Manny) Radomski, chief of Defence Civil Institute of Environmental Medicine, an unsung Canadian scientist. As DCIEM's chief scientist/administrator, he champions research projects to benefit the activities of the armed forces, such as a world-class hypobaric chamber to produce new deep-diving techniques.

Ed Pietros,
Toronto

The Road Ahead

Fan mail from the south

One persistent topic of soul-searching in Canada is, 'What do we stand for, how are we distinct from our southern neighbors nine times our number?" As an American, what surprises me is some of you think your nation has no identity. I don't agree—Canada has a proud one.

What does Canada stand for? Humanity, for one thing. Some of you are still wearing sackcloth over the crime of some paratroopers in Somalia three years ago—in most countries, no one would have noticed. Yes, you had the residential schools in which natives were brutalized and programmed. Well, my country didn't stop there: we slaughtered our natives wholesale. Yes, you have a higher per capita national debt. At least you bought something with it: besides dictators—a health-care system accessible not just to the wealthy.

You also stand for hospitality. From the bus driver who went out of his way to help me as a touring 17-year-old Yank two decades ago to a gas station attendant who gave me a spare gas cap in Prince George, B.C., on Canada Day this year, you are a very friendly people, asking only that visitors act with respect (raise the flag right side up, leave the skis at home in June, etc.). I am from a very friendly part of the United States—Kansas—and you consistently impress me. You kid me, too, in your easygoing way—it's your method of showing me acceptance and welcome, usually over an excellent Canadian beer that you wouldn't let me pay for. And not just in English—in my interactions with French-Canadians, my heavily Parisian college French has always been appreciated, often replied to in English by people whose only agenda at the time is to communicate.

Diversity—this should be obvious. From Vancouver to Acadia to Montreal to Flin Flon to Inuvik, you embrace dozens of cultures and views. And you keep your bickering pretty civil, relative to the rest of the world. And your French-English difference does not point up a weakness, but rather a strength. We had our secession debate over a century ago, and about a million casualties later we had it more or less hashed out. In your case, there is no question of armed hostilities. Does this not show that you are an exceptionally mature nation?

You are more unique than you realize, and have a lot to be proud of, with manageable imperfections. Please just keep being Canada.

Jonathan Kelley,
Seattle

The Road Ahead invites readers to advance specific solutions to Canada's political, social and economic problems. Unpublished submissions may run condensed as regular letters or appear on an electronic bulletin board.

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CANADA'S WEEKLY NEWSMAGAZINE

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How to SPOT A ZIGGER.

The things that zig are never obvious. In fact, while everyone is looking in one direction, you have to look the other way. Then, with any luck, there it is. The unexpected.

Case in point is a totally new European inspired luxury sedan with a surprisingly radical difference. It's a Cadillac. The 1997 Catera.

Engineered in Russelsheim, Germany, the Catera is based on GM's Opel Omega MV6, which won Europe's prestigious "Golden Steering Wheel Award" and was selected Japan's "Import Car Of The Year."

UNEXPECTED LUXURY

An international design team created Catera's interior with unusually high levels of room and comfort. Along with a host of unexpected features like heated seats for both front and rear. Express up and down windows with safety obstacle sensors. Dual-zone climate control with a 3-stage air quality filter. Even an air conditioned glove box that protects camera film on long drives.

UNEXPECTED PERFORMANCE

Catera's ability to perform is equally inspired. Its DOHC V6 produces a 200 horsepower rush few luxury cars can equal. This is combined with an electronically-controlled 4-speed automatic transmission (with normal, sport and winter driving modes). And Catera offers exceptionally firm handling as well as a speed-sensitive power steering system that's widely praised for its natural, positive road feel at all speeds.

IT'S AN INSPIRED COMBINATION

And while it combines unexpected luxury and performance, Catera is also designed to deal with the unexpected. Beginning with a rigid steel passenger safety cage. And combining features such as over-sized 4-wheel disc brakes with ABS, full range traction control, dual air bags, even front safety belts with pyrotechnic pre-tensioners that actually enhance occupant protection in a collision. And along with 24-Hour Roadside Assistance, Catera offers one of the industry's most extensive maintenance plans. The 4-year Cadillac No-Charge Scheduled Maintenance Program.

The 1997 Cadillac Catera. Chances are you weren't expecting it. But then, that's what makes it the Caddy that Zigs. To locate your nearest participating Catera dealer for a test drive, call us at 1-800-GM-DRIVE today.

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THE CADDY THAT ZIGS.

CADILLAC

Maclean's
What Matters To Canadians

Editorial Update

Maclean's Honor Roll

Maclean's presents its 11th annual Honor Roll of 12 Canadians who have made a difference to the nation Selected by Maclean's editorial team, these chosen few have added luster to the worlds of arts and entertainment, science, business, sports, charity and academia Read all about the *divine dozen* in the Dec. 23 issue, available on most newsstands on Dec 16

Maclean's Double Issue

Maclean's presents its annual double issue featuring the 13th year-end poll which asks Canadians to share their perceptions of the future of the nation as we approach 1997 This popular poll explores how Canadians feel on everything from national unity and government cutbacks to sex and spirituality. This issue also features *Welcome to the Millennium*, a special report by Peter C Newman Maclean's Dec 30/96-Jan 6/97 double issue is available on most newsstands on Dec 23

Personal Finance

Once a month Maclean's explores the latest in money markets, real estate, the dollar and more Personal Finance provides readers with information and advice on topics such as retirement planning and income tax software

Multimedia News

A special CD-ROM

The 1997 Canadian Encyclopedia Plus from McClelland & Stewart is an up-to-date complete international multimedia reference Just in time for holiday gift-giving this CD-ROM allows users to zero in on history in the making with the Maclean's Year in Review It features 400 Maclean's articles covering major Canadian and world events from Jan '95 to last summer's Atlanta Olympics Monthly Maclean's updates on the Internet will keep you abreast of the news Website address is http://tceplus.com

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Starting January 13, 1997, Maclean's IFIC (Investment Funds Institute of Canada) and 3-part RRSP supplements help mutual fund and RRSP holders make vital financial decisions. Our *blue chip* editorial content includes everything you want to know about mutual funds and RRSPs but are too busy to ask It will also feature Profiles in Power — where the *movers & shakers* invest their funds Read all about it in the Jan 13, Jan 20, Feb 3 and Feb 17 issues of Maclean's — What Matters to Canadians

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Barbara Amiel

How to preserve the health-care safety net

Like all pundits, I've made some significant miscalculations Here's one prediction, though, written in 1979, that holds up I was writing in my book *Confessions* about the future of health care if Ottawa abolished private insurance and private medicine

"When health care becomes a free commodity like air and water, it is treated less seriously It is abused in major or minor ways People go to see doctors for colds My middle-class girlfriends go to see psychiatrists at public expense to cope with the problems of their love lives. Administrative costs soar as they do in any state enterprise

"Reducing administrative costs is hopeless. However, coercion not only is possible, but becomes natural and the only way out of the government's dilemma. Gradually, the freedom of doctors to opt in or out of the health-care scheme is replaced by a coercive condition of some kind Then, the patients' freedom to select their own doctors is limited by requirements of residence or workplace "

f wrote that about the time Minister of Health Monique Begin and Prime Minister Pierre Trudeau turned up the heat to abolish private medicine in Canada by withdrawing federal funds to any province that allowed extra billing The story of how doctors responded to attacks on their independence is not impressive The very few of us who were on their side, fighting for a health-care system that allowed private medicine to co-exist with a public safety net, simply gave up as the doctors started behaving just like unionized workers They did not resist socialized medicine on principle and say this will ruin health care By fighting only over the salaries and fees they would get in return for giving up their independent status, they proved that all the people who claimed the issue for doctors was just a matter of money were correct

Now we have Ontario's Mike Harris faced with stratospheric health-care costs and planning coercive measures against doctors, such as denying them the right to practise in some urban centres Harris and his government face problems inherited by the combined mismanagement of every Ontario premier from Bill Davis to Bob Rae but more coercion is not the answer The only solution is to tell people the truth about their cherished "free" health care

There are two main problems with modern medicine One, actually a series, has absolutely nothing to do with socialized medicine and would have existed in 1996 no matter what. Simply put, medical advances cost a fortune ft is marvellous that we can transplant organs and, instead of cutting off limbs, we can sew them back on But an amputated limb is infinitely cheaper than the cost of all the hospital facilities required to sew it back. No one wants to forgo multi-million-dollar diagnostic machines, new drugs and technology but this also increases costs by incalculable amounts. Then there are the increased costs of hospital workers, not including doctors, from nurses and orderlies down. Finally we are able to extend the human lifespan in terms of economically useful life but also for economically useless lives at exactly the time our population bulge is in its 50s This raises both cost and ethical problems. Who will fund care for these older people? Who will get the limited number of organs available for transplant? Who will get access to dialysis machines or CAT scans? First come, first served? Highest bidder? The person most economically useful to society?

What makes the current situation so difficult, however, is the second problem socialized medicine itself I arrived in Canada in the 1950s after experiencing the horrors of British socialized medicine with its lengthy waiting lists and run-down hospitals Canada was a dream At that time Canada had private insurance plans that actually made a profit and gave fantastic benefits When, as a university student, I couldn't afford my insurance and happened to end up in Toronto General Hospital, I was amazed to find that f was on a "public ward" that had only six beds and my doctor was the most renowned internal specialist in the city. All the nightmarish preconceptions that the British held about North American health care were a lie Today, the nightmarish conceptions that Canadians hold about the notion of "two-tier" medicine are equally a lie

> The nightmarish conceptions that Canadians hold about the notion of 'two-tier' medicine are a lie

Socialized medicine raises problems that occur when any endeavor is shifted from private business between a customer and a service provider to a government bureaucracy. Bureaucratic considerations immediately take priority over service considerations. Neither customer nor provider (the doctor) will be in charge, but rather some government clerk. Patients will be reduced to petitioners Inevitably, patients and doctors will find a backdoor such as under-the-table payments and personal connections. Two-tier medicine whether official or unofficial, is re-established

The bureaucracy will run out of money and will never cut itself deeply, only the services it provides The first things to go are the hotel services health care gives the little comforts for people when they are at their most vulnerable and needy. Hospital patients are de-humanized by humiliations they need a bedpan or an understanding nurse What they get is endless waiting, harassed staff and often lower quality personnel Waiting lists get longer The state makes all sorts of medical decisions based on non-medical criteria The brain drain of doctors speeds up The wealthy go out of the country for their heart surgery

The public debate about this should be widespread and informed. Governments have to realize that insurance companies must be allowed to make money If you don't want a medical health-care system that functions like the post office, then return doctors to their role as independent professionals and not de facto members of CUPE Cut the bureaucracy, make the so-called two-tier system official rather than unofficial and that way every indigent person in Canada will be assured of medical care None of us want to have anything to do with a country that turns people away from necessary medical care for lack of funds But today, that is what we have. It will take political guts of steel to undo it.

Opening Notes

Edited by BARBARA WICKENS

Bailey, Johnson: 'this is what we do for a living'

PHIL SNEL

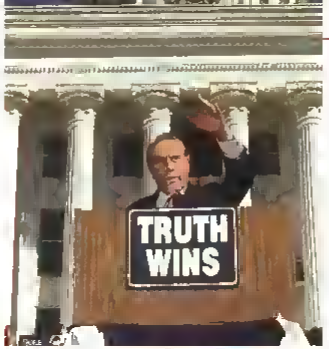
Run for the money

About 100 members of the media turned out last week for a news conference heralding the much-anticipated race between track stars Donovan Bailey of Canada and American Michael Johnson. But while the organizer, Ottawa-based Magellan Entertainment Group Inc., brought the two Olympic gold medallists together for a session of contrived animosity befitting TV wrestling, the company had little else to say. Yes, Bailey, the 100-m world-record holder, and Johnson, the 200-m world-record holder, would someday run a 150-m race to determine who was the world's fastest man—but everyone in the room already knew that. The promoters would not confirm when or where the race would take place. Magellan president Giselle Briden admitted she had no firm TV deal and had not hired an event management company to handle the on-track details. Briden would not even name the financial backers of the newly formed Magellan. Even with those uncertainties, Bailey and Johnson had a strong incentive to stay interested—the promise of $670,000 each in appearance fees and a $1.35-million, winner-take-all purse. Both runners said they hoped their showdown would help promote track and field around the world, but Johnson admitted his motives were largely financial. "Donovan and I have devoted years of our lives to training," he said. "So it has to be about money—this is what we do for a living."

The Montreal bounce

A trip to the hospital in an ambulance is never the most pleasant experience, but in Montreal it can be particularly jarring. And the rough ride is not just because of the city's notoriously pothole-filled streets. Ambulances with suspension and vibration problems are compounding the situation. According to Urgences-sante, the agency that operates the ambulances, the box-type cabins where patients are transported have turned out to be too light for the truck frames that support them. As a result, the vehicles tend to exaggerate the bumps. Dominique Drouin, spokeswoman for Urgences-sante, acknowledged that there have been complaints about the rocky rides. "It's less comfortable for some of the patients," Drouin added. She notes that patients are safely strapped down and, even if they are uncomfortable, are not at risk. Urgences-sante has asked engineers for help in solving the suspension and vibration problems. Until then, Montreal ambulances will continue to shake, rattle and roll.

BRIAN HUGHES



Dole on the campaign trail: secrets

A judgment call

It was one of those well-known secrets that titillate Washington from time to time: former senator Bob Dole once had an extramarital affair while he was still married to his first wife, Phyllis. The tabloid *National Enquirer* went public with the story in late October, when it already seemed clear that Dole would lose the presidential campaign to incumbent Bill Clinton. However, several mainstream news organizations that began digging into the story in August did not print it until after the Nov. 5 election. Some held back as they agonized over the relevance of an affair that happened 28 years ago. But at *The Washington Post*, some newsroom staff had their own theory about why the Dole story did not run before the election: executive editor Leonard Downie was influenced by his own separation from his wife. As a result, the thinking went, Downie was overly sympathetic to a man who had gone through a similar experience. On Oct. 29, the *Post*'s gossip column, The Reliable Source, even carried an item that Downie and his wife, Gerry Rebach, had separated after 25 years of marriage. "And that," it read, "perhaps is enough said about the boss." While it is highly unusual for a paper to carry such an item, Downie apparently authorized it because of the rumblings in the newsroom.

Smoke in the air

Health reports issued last week offered three points of view on smoking. Some highlights:

- Smokers are smarter than nonsmokers, according to Jamie Pineda, an associate professor of cognitive science at the University of California, San Diego. Smokers performed a word memory test more accurately and faster, he reported to the Society for Neuroscience meeting in Washington.
- Parents who smoke in homes with young children are practising child abuse, says the Ontario Medical Association. "Parental tobacco use in the home, resulting in the inhalation of known carcinogens and asthmagens by children is a form of physical abuse," reads an OMA report.
- People are preoccupied with relatively insignificant environmental carcinogens and are ignoring the major risks, the Harvard School of Public Health reports. It estimates, for instance, that 30 per cent of cancer deaths can be blamed on smoking.

DIPLOMATIC POUCH

Last week's contribution to civil discourse:

In the Nova Scotia legislature, the opposition Conservatives and NDP ripped into the blended sales tax like hungry terriers. For days after the legislature's fall session opened last Monday, speaker after speaker lambasted the planned combination of the GST and PST into a single 15-per-cent levy. By Thursday, Premier John Savage had clearly had enough, and he treated the opposition to a retort not often heard in a parliamentary chamber: a loud raspberry. Yes, it was childish, he later acknowledged to reporters, but he had a time-honored explanation: they did it, too. "The leader of the opposition [Tory Leader John Hamm] gave me a couple," said Savage.

On his own course

Quebec Liberal MP Patrick Gagnon (Bonaventure/Iles-de-la-Madeleine) raised eyebrows last summer when he announced that the official languages committee, of which he was a co-chairman, would look into what he saw as a disturbing lack of French on public signs in the nation's capital. Outraged, then-party whip Don Boudria, who is responsible for parliamentary discipline, removed Gagnon, 34, from his high-profile platform and shifted him to a far less glamorous agriculture committee. But Gagnon is clearly unrepentant: he just recently spoke out again in favor of bilingual signs in Ottawa, and ignored his new duties. He was removed from the agriculture committee last week after he did not attend one of its 17 meetings since September.

BEST-SELLERS

FICTION

1. **Alias Grace,** *Margaret Atwood (1)*
2. **The Englishman's Boy,** *Guy Vanderhaeghe (3)*
3. **The Tailor of Panama,** *John le Carré (2)*
4. **You Went Away,** *Timothy Findley (6)*
5. **Last Orders,** *Graham Swift (4)*
6. **Fall on Your Knees,** *Ann Marie MacDonald (5)*
7. **The Third Twin,** *Ken Follett*
8. **The Deep End of the Ocean,** *Jacquelyn Mitchard (7)*
9. **The Laws of Our Fathers,** *Scott Turow (10)*
10. **Selected Stories,** *Mavis Gallant (9)*

NONFICTION

1. **Boom, Bust & Echo,** *David Foot and Daniel Stoffman (1)*
2. **The Soul's Code,** *James Hillman*
3. **Barbara Frum,** *Linda Frum (3)*
4. **Tarnished Brass,** *Scott Taylor and Brian Nolan (6)*
5. **My Story,** *Sarah, Duchess of York*
6. **The Anxious Years,** *Jeffrey Simpson*
7. **My Sergei,** *Ekaterina Gordeeva*
8. **Shakedown,** *Angus Reid (2)*
9. **A History of Reading,** *Alberto Manguel (4)*
10. **The Dilbert Principle,** *Scott Adams (5)*

( ) Position last week. Compiled by Brian Bethune

Turow's latest thriller

Best-selling author and Chicago lawyer Scott Turow has written his fourth legal thriller. *The Laws of Our Fathers*. The narrator is Judge Sonia Klonsky, from Turow's second novel, *The Burden of Proof*, who presides over a murder trial with participants she knows from her student years during the '60s.

POP MOVIES

Ladies of the night

Documentary star

It is a French movie with high-wire suspense, slippery sex, rhapsodic scenery and existential romance. But no dialogue—because the characters are ladybugs, snails, spiders, ants, beetles, flowers and frogs. *Microcosmos*, a documentary that gets up close and personal with denizens of a meadow, is exquisite entertainment.

Top movies in Canada, ranked according to box office receipts during the seven days that ended on Nov. 21. (In brackets, numbers of screens/weeks showing.)

1.	Ransom (151/2)	$2,169,100
2.	Space Jam (141/1)	$1,638,380
3.	The Mirror Has Two Faces (109/1)	$917,200
4.	Romeo & Juliet (106/3)	$764,690
5.	Sleepers (101/5)	$313,070
6.	High School High (79/4)	$122,470
7.	Michael Collins (41/6)	$101,010
8.	The First Wives Club (42/9)	$73,230
9.	Set It Off (34/2)	$69,340
10.	Swingers (33/2)	$66,590

Passages

DIVORCING: Canadian actress **Pamela Anderson Lee**, 29, and tattooed rocker **Tommy Lee**, 34, after 21 months of marriage. Anderson, one of the stars of *Baywatch*, a sand-and-surf syndicated television show watched by a billion people in more than 140 countries each week, and Lee, drummer for the Los Angeles-based hard rock band Mötley Crüe, married on a beach in Mexico in February, 1995, after knowing each other for four days. In the divorce petition filed in Los Angeles Superior Court, which cited "irreconcilable differences," Anderson said she would seek custody of their five-month-old son, **Brandon Lee**.

CONVICTED: Maj. **David Hirter**, 35, of two counts of negligence in the death of Cpl. **Neil MacKinnon** of Sydney River, N.S., during a training exercise at CFB Suffield in Alberta, by a court martial in Calgary. Hirter, a 17-year career officer with the Canadian Forces, was demoted to captain, given a severe reprimand and faces possible dismissal from the military for not ensuring his men were adequately prepared for the live-ammunition exercise.

LAUNCHED: A libel suit against Toronto-based *Saturday Night* magazine for an eight-page article in its November issue by child labor activist **Craig Kielburger**, 13, of Thornhill, Ont. Kielburger rose to international prominence in 1995 for his ongoing campaign against child labor in Third World countries. *Saturday Night* editor **Kenneth Whyte** says he stands by the article by journalist **Isabel Vincent**, which, among other things, discussed Kielburger's family and his fund-raising activities.

SEPARATING: **Debbie** and **Dan Mahaffy** of Burlington, Ont., the parents of murder victim **Leslie Mahaffy**, 14, after five years of trying to cope with the strain of their daughter's abduction and killing by sex murderer **Paul Bernardo**. Debbie Mahaffy, who noted that most parents of murdered children separate, said they "could not beat the odds."

APPOINTED: To a three-year term as senior artistic adviser with the National Arts Centre in Ottawa, prolific director and choreographer **Brian Macdonald**, 68.

Paying the price

How a report plays on two native reserves

To spend or not to spend—that is the question confronting the federal Liberal government. After five years and an expenditure of $58 million, the Royal Commission on Aboriginal Peoples delivered its 3,537-page report last week. Its primary message: only a massive infusion of funding to native communities—$30 billion over 15 years—can eradicate the social ills facing most Canadian aboriginals and pave the way to a self-reliant future. Last week, Maclean's Calgary Bureau Chief Mary Nemeth and Halifax correspondent Susanne Hiller travelled to two very different reserves. As their reports indicate, money and resources are indeed the keys to a brighter tomorrow for Canada's natives—and lack of them a guarantee that little will change.

A sign by the road leading into Indian Brook reads "Hollywood Drive." But there is no glitter on this Micmac reserve in Nova Scotia, where more than 90 per cent of residents are unemployed. Bored welfare recipients wander out of dilapidated and overcrowded houses to walk along dusty roads strewn with abandoned cars and broken toys. Few ever leave, those who do often lack the skills to adapt to the outside world. Most children do not progress beyond Grade 6, while adults often drop out of government training programs because there are too few job opportunities even with training. Band elders say that the resulting frustration leads to high crime rates and rampant substance abuse. "I'd like to see a grocery store, a drug store, a hospital, a high school, a Zellers, a K-mart," says Chief Reg Maloney, as though reciting a Christmas wish list. "We should be able to get everything we need on the reserve."

For now, band members must make do with a nursery school, a small nursing station, a new pizza outlet, one gas station and several tiny canteens scattered throughout the community. And for the nearly 1,900 Micmac who live on the sprawling reserve, an hour's drive north of Halifax, there appears to be little hope that the thousands of pages churned out by the Royal Commission on Aboriginal Peoples will improve their lives overnight—if at all. That pessimism, and an overwhelming sense that the Nova Scotia government has a vested interest in maintaining the status quo, contributes to their indignation. The reserve has no assets of its own, and aboriginal leaders bitterly complain that the province does not want to share revenues from natural resources—ensuring a dependency on government handouts. "We've not been given our fair share of the wealth of this country," Maloney says. "Every day, we see the forest being cut, oil being taken from the land, fish from the ocean. Everybody else is getting something out of it—we don't."

The royal commission's report says all the right things, say native leaders, but the tome could easily be shelved under the excuse of fiscal constraints. "I think they prepared this just to appease us for a while," says Peter Christmas of the Micmac Association of Cultural Studies. Indian Affairs Minister Ron Irwin's response about Ottawa lacking funds, he says, "was not positive." Christmas says he has a "gut feeling" that provincial and federal governments will not follow through on the recommendations. "They are hiding behind it," he says, "and the result will be a lot of violence. There is a lot of unrest, a lot of unemployment. Native people are breaking down in this province."

At the community centre, economic development officer David Nevin, who grew up at Indian Brook, says the province has a "deep psychological fear" of the possibility of reserves like his becoming self-sufficient. "That's the biggest problem," Nevin says. "Where there's money there is power, and I believe the province wants to limit our power." Still, the Micmacs have managed a minimal degree of self-sufficiency—through gambling. The community centre boasts three bingo games a week, and since September legal gambling machines have enticed non-natives onto the reserve. But gaming has created new problems: band members, most of them dependent on welfare, often gamble away their government cheques.

There is hope, if somewhat faint. In September, Ottawa agreed in principle to give Nova Scotia's 13 Micmac bands jurisdiction over their own education systems, from kindergarten through high school. To that end, about $130 million will be transferred to the bands over five years. The possible effect of that on Indian Brook remains unclear—the reserve has no schools, and children travel five miles to Shubenacadie for their education. "We are supposed to be getting input into the curriculum," Maloney says. "But what we need is our own school. That would bring much employment. We need role models here."

Just southeast of Hobbema, Alta., on the edge of the Samson Cree Nation townsite, stands the imposing wood and cement structure that

Maloney: 'we've not been given our fair share of the wealth of this country'

DAN CALLS

The Other Canada

- Canada's native population is primarily Indian—624,000—with 153,000 Métis and 43,500 Inuit.
- Ontario has the largest native population—134,000—while British Columbia has the most bands—197.
- The largest single band—population 18,634—is the Six Nations of the Grand River, Ont. No other band has more than 8,500 members.
- Cities are now home to 44 per cent of natives. Toronto, Montreal and Winnipeg all have more than 40,000 aboriginal residents, but they form a higher percentage of the population in Regina (5.8) and Saskatoon (5.7).
- More than half of Canada's natives are under 25 years of age.
- Only 43 per cent of aboriginals have a job, the employment average for all Canadians is 61 per cent.
- Life expectancy for natives is significantly less than the national average—68 years to 75 for men, 75 to 81 for women.
- Average annual income for aboriginals is $16,560, the Canadian average is $24,876.
- Eight per cent of Canadians receive social assistance, 29 per cent of natives do.

'Last chance'

The Royal Commission on Aboriginal Peoples demands a sweeping new deal for Canadian aboriginals—but will they actually get it? Early indications were that the report would be quickly shelved. The Bloc Québécois and the Reform party bluntly rejected the plan as too costly. Indian Affairs Minister Ron Irwin pointed out it would be "very, very difficult" to find an additional $2 billion a year for natives at a time when all government departments—with the exception of Indian Affairs—are experiencing budget cuts. Those were discouraging words for natives. Ovide Mercredi, the national chief of the Assembly of First Nations, called the report a "last chance" to end the inequity facing Canada's more than 800,000 aboriginals. The commission itself said that without a major infusion of cash, aboriginal communities will sink deeper into despair. And, the report warned, "Violence is in the wind."

Some of its key recommendations:

- An extra $2 billion a year over 15 years to native communities to help them break their cycle of financial dependency on Ottawa. The funds would be used to improve housing and health services and create jobs on the nation's reserves—saving governments billions of dollars in the long term.
- The creation of an aboriginal parliament, to be known as the House of First Peoples, which would provide advice to the House of Commons.
- The creation of a dozen government bodies, tribunals and inquiries to look into and assess everything from land claims to the relocation of aboriginal communities.
- The scrapping of the Indian affairs department. It would be replaced by two departments, one that would deal with aboriginal governments and another that would be in charge of native communities that feel they are not ready for self-government.
- A land base and self-government for the Métis.

CANADA

houses the band council chamber and offices. Across the snowy, windswept street lies a shopping mall that includes a medical clinic, a band-owned pharmacy, a gas station and grocery store as well as Peace Hills Trust—a federally chartered trust company founded and operated by the Samson Cree. The band also farms some 10,000 acres of land, much of it off the reserve. Although individual wealth varies among its members, the Samson Cree Nation is collectively among the more prosperous in Canada—thanks to the way it has invested royalties from its oil reserves, as well as subsequent economic development. "Samson," says Roy Louis, a local businessman and former council member who helped found the trust company and other local enterprises, "is an example of things you can do—when you have the money or the resources."

In many ways, the Samson Cree have already made great strides towards the native self-reliance envisioned in last week's report of the Royal Commission on Aboriginal Peoples. In addition to businesses, they have invested in infrastructure and housing, a recreation centre and an education trust for young people. No one seems to be suggesting that the reserve's economic development has allowed the band to escape all the difficulties that affect other communities. For one thing, Samson still has a high unemployment rate. But, along with three neighboring nations, the Samson Cree have been able to capitalize on their oil reserves. And while they have distributed some funds among their members, they have also gone to great lengths to diversify their economy. But Louis, who is also a former president of the Alberta Indian Association, acknowledges that it would be very difficult for communities without similar resources to achieve the same results. His chief concern, he says, is that native interests will continue to be ignored in a general climate of fiscal restraint.

At Samson, there was agricultural development back in the 1950s and 1960s, says band council member Barbara Louis. Oil was discovered in the early 1950s on land owned by the Samson Cree and the three neighboring bands. But it was not until they completed a favorable renegotiation of their oil royalty agreements in the mid-1970s that substantial commercial development took off, Roy Louis says. The band started upgrading infrastructure first, building more homes with water and sewer service. Then, it began buying up land. And, because Samson Cree members were finding it difficult to borrow money from financial institutions—in part because the Indian Act prohibits the use of reservation land as security—they created Peace Hills Trust in 1980 after much negotiation with officials from Indian Affairs, industry regulators and community members. The profitable enterprise has grown steadily, and now has more than $600 million in assets under administration and six branches across the Prairies. Meanwhile, Samson members went on to create an insurance company and buy or build other properties, including apartment blocks in Edmonton and a shopping mall in Lake Louise. Recently, Barbara Louis was involved in developing the pharmacy and other retail outlets in the local mall. "I wanted our own dollars circulating within the community," she says, "so they didn't leave before they have run a few circles."

The Samson Cree have been able to achieve their current level of economic development without embarking on the thorny path of negotiated self-government. And although last week's royal commission report said that the inherent right of natives to self-government should be affirmed in the Constitution—a view that seems to have widespread support—not everyone is interested in negotiating specific, legislated self-government agreements with Ottawa. Some express concern that such an agreement might erode treaty rights, by ending the Crown's responsibility for services that the treaties provide. "We just wonder what would happen with our treaties," one Samson elder said. And Roy Louis argues that it would be simply beside the point. "I don't think we need it," he says. "We've done our own self-government process—without violating the treaty." It is self-reliance that continues to be the goal—and along that road, the Samson Cree have travelled far. □

JOHN HRYNIUK

Irwin: 'very, very difficult' to find additional funding

A harder line

Times change. Five years ago, aboriginal leaders participated at First Ministers' meetings, complete with sweet grass ceremonies. Support for Canada's natives, and a willingness to right past injustices, ran high. But recently, aboriginal leaders have found themselves out in the political cold, while an avalanche of native demands has provoked public opposition. According to a poll done by Insight Canada in July, 54 per cent of Canadians believed that natives were being unreasonable with land claims, compared with 46 per cent in 1994. And 40 per cent said that aboriginal people had only themselves to blame for their problems. Such sentiments have spilled over to Parliament, where the Reform party has led the charge. "More must be heard from the average people in this country," says Garry Breitkreuz, Reform's Indian affairs critic and a former principal at a native school in Saskatchewan. "It's as if they are being deliberately ignored."

Breitkreuz contends that ordinary Canadians are weary of native demands and armed confrontations—and that someone must speak out for them. Some of his colleagues have decided that words are not enough. Last month, John Cummins, a Reform MP from British Columbia, spent two nights in jail after protesting against what he called special rights for aboriginals—by fishing in waters reserved for natives. Reformers are confident that last week's royal commission report will be shelved. And, in fact, the prospect of wide-ranging concessions to natives is uncomfortable for some Liberals caught between aboriginal demands and growing public anger. Liberal MP Joe Comuzzi, who represents the Northern Ontario riding of Thunder Bay/Nipigon, says he has noted a heightened public hostility towards natives. "There is a real perception that natives simply have an inability to handle their own resources properly," he adds.

Such attitudes have aided in the creation of the Foundation for Independent Rights and Equality, whose members across Canada are dedicated to blocking native demands. Some observers say the phenomenon may be rooted in the prejudices of an older generation. "FIRE's support is from the elderly," says University of British Columbia professor Paul Tennant. "It is clear that the vast majority of young people are not upset at all." Reformers dismiss that view and have made clear their intentions to keep the issue alive.

LUKE FISHER *in Ottawa*

BRIAN MCINNIS/THE GUARDIAN

CANADA

A new political link

PEI Premier Pat Binns faces tough challenges

Few political eras have begun in grander style. Twenty-four hours after Prince Edward Island's Conservatives ousted the Liberals in the Nov. 18 election, workmen lowered the last concrete span of the 13-km-long Confederation Bridge gently into place over the frigid waters of the Northumberland Strait. For the first time since the end of the last ice age, Prince Edward Island has a physical link to the outside world, for the first time in 10 years, the province has a Tory government. Now comes the hard part. New Premier Pat Binns has won the unenviable task of helping the Island adjust to the shocks of continuing federal transfer payment cuts—as well as the yearlong recession expected to follow the completion of the fixed link and the loss of about 2,200 construction jobs. "Prince Edward Island is going to be facing some pretty daunting challenges," says Brian Crowley, an economist at the Atlantic Institute for Market Studies. "The question now is whether and how the province can do enough to boost its own-source revenue as the transfer revenue dries up."

Is Binns up to the task? Voters certainly seemed to think so—his Tories won 18 of the 27 seats in the provincial legislature. For the 48-year-old politician, it was a remarkable vote of confidence on an island where family connections can make or break a political career. Binns is, after all, a "come from away", born in Weyburn, Sask., and raised in Lloydminster, Alta. Even after 18 years on Prince Edward Island, his speech is marked by the drawl and flat inflection of his Prairie roots. But the Island is an accommodating place. "Pat is the kind of politician they go for out here," says Marion Reid, a former Conservative MLA. "He grew up on a farm, he always returns phone calls, he never loses his temper."

Binns, who holds a master's degree in community development from the University of Alberta, became an Islander for love. He arrived in 1970 on a student exchange program—and met Carol MacMillan of Wood Island. They married the next year and returned to Northern Alberta, where Binns spent seven years as a provincial government development officer. In 1978, they returned to Prince Edward Island. But instead of pursuing work in his profession, Binns plunged into politics. That same year, he won a seat in the legislature, and went on to serve in a series of cabinet portfolios in Tory governments. He left provincial politics in 1984 to win the federal riding of Cardigan for Brian Mulroney's Conservatives. Four years later, he was back in Prince Edward Island, having lost his seat because of his support for the Canada-U.S. Free Trade Agreement.

ANDREW WAKEFIELD

Binns: riding a wave of anti-Liberal resentment

Politician Binns then became Farmer Pat, for eight years tending to a 220-acre plot and building a successful dried-bean business. But last year, local Tories persuaded Binns to run for the party leadership, which he won in May of this year. On Oct. 21, the knock of opportunity came with an election call by new Liberal premier Keith Milligan.

Going into the campaign, the Liberals serenely predicted that they would win a fourth consecutive majority. The economy was humming, largely thanks to the fixed-link project. Between September, 1995 and September, 1996, the Island's employment rate jumped by 3.4 per cent—the fastest rate of increase of any province. But anti-Liberal anger simmered, largely due to the government's rollback of public sector wages and changes to the province's health and education systems. Come voting day, that tide of resentment rolled over the Liberals—bringing Binns to the premier's office.

There is a huge gulf between Binns's brand of conservatism and the scorched-earth variety exemplified by, for example, Alberta's Ralph Klein. "A Prairie conservative leans pretty strongly to a kind of hard-line free enterprise," Binns says. "They don't like government involvement out there. Here, we've lived with high unemployment for as long as we can remember—we're used to a close relationship with government." Binns's spending promises during the campaign underscored that difference: among other things, he vowed to maintain acute-care services in hospitals and preserve small community schools—and pledged $2.5 million towards a new cancer treatment centre.

But critics say that he has painted himself into a tight fiscal corner. Federal transfer payments to the province are slated to drop another $21 million over the next four years. Binns faces drastic decreases in provincial spending to accommodate federal cuts, while finding money to pay for campaign promises. His Liberal opponents have already started calling him a throwback to the big-spending, big-borrowing days of the 1970s and 1980s, out of touch with the harsher fiscal reality of the 1990s. His friends tell it differently. "Pat Binns is in office because the people wanted him there," says Eugene Rossiter, a local Tory lawyer and longtime Binns partisan. "They put him there because his priorities reflect their priorities." Delivering on those priorities, however, may prove to be a difficult matter.

DOUG BEAZLEY *in Charlottetown*

Canada NOTES

SQUEAKING BY

Premier Lucien Bouchard survived a leadership review at the three-day Parti Québécois policy convention in Quebec City. The results of the vote, announced late Saturday afternoon, about 77 per cent of delegates supported Bouchard—hardly an overwhelming endorsement. The convention was marked by a challenge from militants frustrated by the premier's softer line on language, as well as a protest by union members angered by fiscal restraint policies.

RELIGIOUS RULING

The Supreme Court of Canada ruled that the Constitution permits Ontario to fund Roman Catholic public schools without obliging the province to extend that funding to other religious groups. Christian and Jewish groups who spearheaded the legal bid to win funding said that they were disappointed by the decision—and would now have to lobby the provincial government.

RELIVING AN ORDEAL

A Canadian Forces soldier who may lose his right foot to frostbite said that teamwork and thoughts of their families helped save him and three fellow crewmen after their helicopter crashed into the Labrador Sea during a rescue mission on Nov. 13. "It doesn't matter if you're hurt or not," said Capt. Wade Pelly, who is undergoing treatment in a Montreal hospital. "When one guy is too tired to walk, you don't walk away from him."

REFORM DWINDLING

Reform lost another MP when Ray Speaker, the party's most experienced politician, announced that he will not run again. "I've served in public elected life for 34 years," Speaker said. "I've been elected nine times. It's time to look at private life." Speaker is the seventh Reformer to decide not to seek re-election.

NAZIS IN CANADA?

According to articles published in *The Jerusalem Post*, about 150 alleged Nazi war criminals are living in Canada. The *Post* detailed the work of U.S. private investigator Steve Rambam, who posed as an academic to track down the suspects, and characterized Canada as a "near-blissful refuge" for war criminals.

Gone in a puff of smoke

It was ground out—as unceremoniously as a spent cigarette. Last week, Federal Health Minister David Dingwall was expected to announce a new law that would ban tobacco company sponsorship of all entertainment, cultural and sports events. But when word leaked out that the federal government also intended to raise cigarette taxes by 60 cents a carton—meaning a package of cigarettes would increase by 15 cents in five provinces, while it would go up 7½ cents a pack elsewhere—Dingwall's planned media conference went up in a puff of smoke. "All our i's are dotted but our t's aren't crossed," a curt and impatient Dingwall said. "We're in the process of finalizing the package."

Some political observers said the abrupt cancellation was necessary. Speculators, they noted, could have turned a quick profit by buying cigarettes before the tax increase was levied—and then reselling them at the higher rate. That, in turn, could have resulted in calls for Finance Minister Paul Martin's resignation. Others said that Liberal MPs opposed to Dingwall's legislation—especially members of the Quebec caucus—may have played a role in the fiasco. (Imperial Tobacco, the largest cigarette manufacturer in Canada, is based in Montreal.) One Liberal cabinet minister said privately that many MPs are angry with Dingwall for trying to announce the package before they have made their recommendations. "People are saying, 'What the heck's the matter with this guy—is he making all the laws by himself?'" he noted. Prime Minister Jean Chrétien, meanwhile, said tobacco regulations are coming "very soon."

PAUL SIEL

Du Maurier tennis: law banning ads is put on hold

FISHERIES

Another blow for sealers

Newfoundlanders, already burdened by the collapse of their fishing industry, did not need more bad news. Yet there it was, the announcement by federal officials that 101 people had been charged for illegally selling seal-pup pelts to the Carino Co. Ltd. processing plant in South Dildo, Nfld. Laid as a result of an eight-month investigation by the department of fisheries and oceans, the charges came at a time when the sealing industry is trying to recover from a history of bad publicity. In the 1980s, baby seals—particularly whitecoats—were the focus of an international campaign by animal rights activists, who decried the way hunters clubbed the pups to death. And, after the latest charges, critics were quick to pounce. Said A. J. Cady of the International Fund for Animal Welfare: "The world will be disgusted by this."

Making the grade

How do Canadian Grade 8 students measure up? Average, according to the Third International Mathematics and Science Study. The Canadian kids lag far behind their Asian counterparts. Among the provinces, British Columbians and Albertans scored the highest. Ontarians came in dead last, averaging 54 and 56 per cent in math and science, respectively. There was no appreciable difference between Canadian girls and boys.

MATH RANKING		SCIENCE RANKING	
1. Singapore	70%	1. Singapore	70%
2. Japan	73	2. Korea	66
3. Korea	72	3. Japan	65
4. Hong Kong	70	4. Czech Republic	64
5. Belgium	66	5. Netherlands	62
16. CANADA	56	13. CANADA	50
28. United States	53	17. United States	50
International average	55	International average	56

How the provinces did:

MATH RANKING		SCIENCE RANKING	
British Columbia	63%	Alberta	65%
Alberta	61	British Columbia	62
Newfoundland	56	Newfoundland	59
New Brunswick	54	New Brunswick	57
Ontario	54	Ontario	56

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Changing mission

Rwanda's refugee homecoming grounds a Canada-led rescue force

Separated from his parents: a road scarred by individual tragedies

ON ASSIGNMENT
BRUCE WALLACE
IN MUGUNGA

"I have come to see who killed my family," said Pierre, his voice chillingly empty of emotion, his eyes fixed in the narrow stare of an accuser. He stood aloof from the smother of refugees in a roadside transit camp, while a few feet away, children scraped the dirt for biscuit crumbs and exhausted adults rested in the shade as if this was all some macabre family picnic. Pierre was not one of them. He had driven to this camp 30 km outside Kigali to search for the guilty, and he and his two well-dressed friends stood out, polished and pressed, amid the wretched scene. But the young men have their own demons to deal with. Pierre said he was one of two survivors of a Tutsi family of 14. He watched as the rest were murdered in the 1994 killing frenzy, when thousands of ordinary Hutu civilians were encouraged by armed extremists to try to wipe out Rwanda's Tutsi population.

Now, after two and a half years of exile in Zaire, some of those killers have returned under the camouflage of innocent Hutu refugees. No one really knows how many guilty are among the columns of ragged returnees, or which of them might be hiding a grenade in their sacks," as Pierre's unsmiling friend Philipe suggested. "Eighty per cent of them are assassins," Philipe maintained, pointing as another desperately overloaded bus bounced down a rutted path out of the camp and onto the highway towards Kigali. "Others say they are joyous that the refugees are back, but not me," said Pierre. "How can I be happy to see the people who killed my family? There will be justice." But what kind of justice is the question now confronting this tiny country whose lush beauty drips with the blood of nearly one million dead. Will it be done by the rule of law? Or will vengeance come by stealth in the night?

There were few open signs of retribution last week. "People are still shocked," explained Claude Dusaidi, a senior government official who carries a Canadian passport. "But it is also in the Rwandan character to say, 'Take it easy, let's not rush.'" Far more apparent was how the peaceful if unscripted return of half a million or so refugees has lanced the major short-term security boil in central Africa's Great Lakes region. With the grip of the armed Hutu leadership broken by a local war, thousands of refugees simply got up and walked out of Zaire's giant Mugunga camp. By week's end, many were back in their home communes, although 4,000 or more children were still separated from parents who lost touch with them during the dense exodus. The road from Zaire was scarred by individual tragedies: a tiny bundle that wrapped a baby's body; an old woman staring hollowly from her last resting place under a table; a pallid newborn struggling for breath after entering the world on a bed of rocks, unshaded from the sun.

And more refugees remained in the lawless badlands of eastern Zaire—although their numbers were hotly disputed. UN refugee officials argued that 600,000 remained unaccounted for. They arrived at their figure by subtracting the returnees from a questionable camp census that put the original number of refugees at 1.2 million (part of the "census taking" was done by the Hutu militias themselves, who had a vested interest in inflating the number of mouths to feed). American planners, on the other hand, used satellite surveillance to put the figure of missing refugees at closer to 202,000, most of whom appeared to be heading away from Rwanda. Their physical condition was unknown, nor was it certain whether they were afraid to return to Rwanda or were being held as human shields by other armed Hutu extremists. "But most of the refugees based in Zaire have returned," said Rwanda's vice-president and main decision-maker, Gen. Paul Kagame. "And given that the situation has so drastically and dramatically changed, there needs to be some rethink on how to approach the whole problem."

Rethinking was about all that Western diplomats and Canadian military planners were doing last week. An initial 261 Canadian troops had deployed hastily and impressively to the region, making good on Prime Minister Jean Chrétien's promise to act where others had only talked. But the Rwandan government remained hostile to the idea of hosting an armed international force, and an openly frustrated Lt.-Gen. Maurice Baril could not get permission from the Rwandans to bring in the bulk of his force. "The Rwandans cannot imagine that a humanitarian force is there just for humanitarian reasons," said Canadian Ambassador and UN envoy Raymond Chrétien, the Prime Minister's nephew, as he continued his frequent-flyer diplomacy through the region. "They keep talking about hidden agendas, or double games, or [the United Nations] taking sides."

PAUL CHIASSON/CANAPRESS

Canadian soldiers wait in Entebbe: deployed hastily and impressively to the region

Ambassador Chrétien and Baril continued to lobby Kagame to allow Canadian troops into Rwanda, hoping to help with food and medical relief for the returned refugees. But Kagame was wary of the outsiders' motives. He wanted the money that would have been spent on the military mission to be converted into assistance aid for reconstructing Rwanda. "If humanitarian aid is being tied to the coming of a force, then I am right to be suspicious," he declared. One of the problems, said a Western diplomat, was that Baril still wanted a force of significant troop size even after most of the refugees had crossed the border for home. "Western military planners are so cautious to avoid casualties these days that what they consider to be the minimal force to do the job looks like an invasion to the Rwandans," said the diplomat.

The thin-framed Kagame is blunt about his mistrust of the international community, which abandoned Rwanda during the worst of the 1994 slaughter and which continued to feed the architects of the genocide after they re-established themselves as masters of the refugee camps in Zaire. Now, he has finessed the breakup of the camps by subtle backing of the Zairean rebel forces that did the job this fall. That self-reliance made him impervious to blandishments to allow the

Ottawa's new caution

From hero to near-zero in less than a week—with no public complaints. Such has been life for Prime Minister Jean Chrétien, who initially received kudos at home and around the world for conceiving and selling the idea of a large-scale, Canadian-led, multination rescue mission to Zaire and Rwanda. But last week he was back to being just another baffled political leader, mystified by the fast turnabout of events in the two African nations and faced with conflicting reports on what to do next.

The return of hundreds of thousands of refugees to Rwanda from Zaire gladdened hearts in Ottawa as elsewhere, but threw rescue plans into chaos. "How can we know what to do next when we can't be certain what's going on right now?" asked an adviser to Chrétien. Behind the scenes, there was no shortage of activity. The Prime Minister's Office set up a secretariat headed by veteran civil servant James Judd to co-ordinate planning between representatives of Chrétien and the defence and foreign affairs departments. Foreign Affairs Minister Lloyd Axworthy met daily with Defence Minister Doug Young and talked almost every day with Raymond Chrétien, Canada's ambassador to Washington and now the UN envoy to central Africa. The Prime Minister spoke with several leaders, including South African President Nelson Mandela.

At the same time, though, Jean Chrétien was packing and leaving for the Philippines, where he will attend this week's summit of the 18-country Asia Pacific Economic Cooperation group, or APEC, before visiting China and Japan. The Prime Minister took along his national security adviser, Jim Bartleman, who is the government's point man in talks with the United States on Zaire. With Canada's future role unresolved, Chrétien's advisers conceded that they had to walk a delicate line, emphasizing the need for further action while not looking overeager. Reform Leader Preston Manning, who initially supported the rescue efforts, last week suggested the government rushed into the mission "without thinking—and is now paying the price." Reform's case was buttressed by television images of the Canadian troops who had been hastily shipped to Africa, only to find there was nothing to do—and nowhere comfortable to do it in: they were stationed in quarters without running water or electricity and sometimes shared by bats.

Predictably, Chrétien's advisers insisted that his actions in focusing world attention on the region made the refugee exodus possible. But they now stressed that Canada would act cautiously and avoid being drawn into what one called "a potential quagmire." The new challenge, they felt, was to maintain the lead on rescue efforts without getting so far ahead of other countries that Canada stands virtually alone.

ANTHONY WILSON-SMITH *in Ottawa*

Canadian-led force into Rwanda.

Twenty-six Canadians did get to Kigali last week, after an organ-jarring 38-hour flight from Trenton, Ont., in lumbering Hercules carriers. The soldiers then were forced to wait on the tarmac for several hours until complying with Rwandan demands that most of their weapons be returned to the mission's headquarters in Entebbe, Uganda. They arrived at a downtown hotel after nightfall, armed with images of Rwanda from media reports that focused on the squalor of refugee camps across the Zairean border. "We were reading the briefing books during the flight—warning us all about insects and diseases—and we were asking ourselves what kind of place are we coming to?" said Maj. Rod Babiuk, before describing the soldiers' surprise and delight at waking the next morning to the panorama of Kigali's gentle surrounding hills.

CORINNE DUFKA/REUTERS

Trucking refugees home past graves of Tutsi victims of a 1994 massacre. 'welcome'

But the rest of the multinational force remained a paper army, ready to come to Rwanda but unwanted, unsure of what it would do if it arrived. Washington scaled back its troop commitment to a logistics-only force within days of the refugee flood from Zaire. Ottawa held off on a decision until after a weekend meeting of military representatives in Stuttgart, Germany—waiting to see whether a new security problem arose, or if the need for intervention disappeared entirely. "Most of the job is already done," a tired but animated Ambassador Chretien acknowledged as he unwound in his hotel in Kigali early in the week. "No country wants to get involved in the broader political issues—borders, territories, the problem of rebel armies. These are not problems to be addressed by the presence of a humanitarian force. And Canada would not be part of any force that would not be humanitarian."

That appeared to rule out the aggressive contingent that the Zaire government of President Mobutu Sese Seko wanted to help regain the eastern territories lost to the rebels this fall. "The danger here is that, if the focus becomes Rwanda, there will be a great deal of unhappiness in Zaire," said Chretien. "They're very upset. Their pride has been hurt. They're a giant and tiny Rwanda has its military act together in an impressive way." But foreign governments seemed unlikely to have any enthusiasm for trying to impose order on the rugged terrain of eastern Zaire, where roaming armies were killing and stealing and shifting alliances in an almost postapocalyptic environment.

The aftermath of those inter-warlord battles was visible across the volcanic landscape of eastern Zaire last week, along the route where panicked Hutu militias withdrew from the Mugunga refugee camp for the sanctuary of Zaire's hills farther inland. The road to the town of Sake resembled a downsized version of the infamous Kuwaiti "highway of death" during the 1991 Gulf War. A 300-m stretch of road was littered with more than a dozen crashed and abandoned trucks, their frames being picked apart by looters. The bodies of a few soldiers lay in freeze-frame, covered by the confetti of personal documents that blew in the wind: identification cards, letters, the paperwork from arms deals and children's schoolbooks with drawings from science class. A woman with a bullet wound to her head lay in a ditch, still warm, still breathing, while looters went about their scavenging around her. When Irish aid workers stopped their pickup truck to treat the woman, a passing group of young men surrounded the vehicle, demanding to be given some of the high-energy biscuits the aid team was carrying.

Only the wind moved through Mugunga itself. Last week, the once-crowded camp looked like an ancient Celtic ruin, empty of life except for the rats and rare sunflowers growing between the pumice stones of lava.

At least there was a civil society across the border in Rwanda. "Everybody is welcome home. They have a right to their country," said Augustine Neto, a Kigali councillor, standing in a field of refugees and thumbing through a registry of 303 returnees. Beside him, a 79-year-old Hutu woman, her skin waxy and her clothes rotted through, waited patiently for a new government registration card that makes no mention of tribal origins. "We must educate people to be tolerant now that events are over," Neto said. "There is no question of Hutu and Tutsi in the new Rwanda. They don't exist anymore." That has been the government line since 1994, and it has become a political mantra in Rwanda. "Of course there are hard feelings, but the nature of Rwandan society is to rely on authority," said Dusaidi, a senior aide to Kagame who was his spokesman in Toronto during the 1994 war. "If our government said 'Go out and take revenge,' they would probably take revenge. But if you tell Rwandans to live together, they will live together. That's what has been lacking here: good leadership."

Even Pierre and his friends maintained that they would wait for official justice, leaving the transit camp for home before the daily afternoon rainstorm began. After it stopped, a refugee named Innocent Ndabahabye leaned against a building and said he felt safe to return because the "government at the highest levels is asking people to respect the refugees." He said he was happy to be home. On the road in front of him, the amazing procession continued, the guilty walking alongside the innocent, the high mountain air fresh and alive from the rain. □

The battle begins

Washington vetoes a new term for Boutros-Ghali

It does not help Boutros Boutros-Ghali that he has a name some Americans seem to find hysterical. All David Letterman has to do for an easy laugh is work the secretary general of the United Nations, yet again, into one of his Top 10 lists. Other Americans find Boutros-Ghali positively sinister: a cruise of the Internet turns up many warnings from right-wing groups with names like the American Sovereignty Action Project that he is leading a plot to impose "world government" on the United States. Joke or menace, Boutros-Ghali is, in the colorful phrase of one U.S. official, "radioactive" among a significant segment of the American public. That includes many conservative members of Congress—so many that the United States carried through last week on its long-standing threat to veto the nomination of Boutros-Ghali for a second term as head of the United Nations. American Ambassador Madeleine Albright cast the lone vote against him in the 15-member UN Security Council, setting the stage for a bitter battle that risks inflicting more damage on the already weakened world body.

PETER MUHLY/AFP PHOTO/REUTERS

The UN secretary general: there is no obvious front-runner to replace him

The U.S. veto came as no surprise. As long ago as June, when Boutros-Ghali announced that he intended to seek a second five-year term when his current mandate expires at midnight on Dec. 31, Washington made clear its disapproval. The 74-year-old Egyptian diplomat brushed aside an American offer to let him stay on for one more year, and now both sides are dug in. Boutros-Ghali's supporters held out some hope that the Clinton administration might soften its position once the Nov. 5 presidential election was out of the way, but the administration stayed firm. "The Americans," observes a Canadian official in Washington, "have left themselves no wiggle room on this." Technically, the 185-member General Assembly could override the Security Council and reappoint Boutros-Ghali over American objections. In reality, the United States is so important a player that such a move would paralyze the United Nations, and possibly destroy it.

At issue is the present structure of the organization—as well as its future role. Washington, spurred on by the United Nations' conservative critics, argues that the world body is a bloated bureaucracy that urgently needs to be reformed. The many agencies that make up "the UN system", say the Americans, often overlap and devote themselves more to promoting quasi-socialist policies than tackling urgent problems. At the same time, the explosion of UN peacekeeping operations since the end of the Cold War has fuelled American suspicions. Only far-right fringe groups seriously argue that Boutros-Ghali heads a Third World-dominated, global-government conspiracy. But mainstream conservatives share some of their fears. They were alarmed last January when the secretary general discussed with a British interviewer the possibility of a UN tax on airline ticket sales or international currency transactions to give the organization a source of financing independent of its 185-member states.

Boutros-Ghali's spokesmen insist he was only talking about ideas raised by other people, and is not entirely comfortable being interviewed in English (his first languages are Arabic and French). But the idea that the United Nations was thinking of imposing its own taxes has become an accepted belief among American right-wingers. In a typical comment, analyst James Phillips of The Heritage Foundation in Washington wrote recently that Boutros-Ghali has a "long-term agenda" of transforming the United Nations "into a supranational government directed by an increasingly independent and powerful secretary general."

His defenders, including Canada, argue that Boutros-Ghali has made a good start on the difficult task of reforming the United Nations. He has cut some 1,000 jobs (about 10 per cent) at UN headquarters in New York City, frozen its annual budget at about $1.8 billion and established a financial oversight office. Canadian Maurice Strong is advising the secretary general on further reforms, but the Americans argue it is too little too late. They say Congress cannot be persuaded to pay the money the United States owes the United Nations in back dues as long as Boutros-Ghali is in control. That adds up to $2 billion by the United Nations' reckoning—about 60 per cent of the $3.4 billion that the United Nations is owed by its members.

The result is stalemate—at least for now. His spokesmen insist that "B.B.G.," as he is known around UN headquarters, intends to fight on. And last week, African nations, who are determined that the secretary general's post remain with one of their number for another term, reaffirmed their support for Boutros-Ghali. Traditionally, a secretary general serves two terms, and even Washington has said it will give "special preference" to an African candidate. But it is far from sure that support for Boutros-Ghali will hold up over the next few weeks.

According to some insiders, even the Africans are divided. North Africans firmly support Boutros-Ghali, but others are more likely to waver. Several Africans have been mentioned as likely candidates, including Kofi Anan, a Ghanaian who is undersecretary general for peacekeeping; Hamid Algabid of Niger, president of the Islamic Conference; and Salim Salim, the Tanzanian head of the Organization of African Unity, who the United States vetoed for the top job in 1981. Others have pushed the cause of a woman secretary general, such as Norway's recently resigned prime minister, Gro Harlem Brundtland, or Japan's Sadako Ogata, the UN high commissioner for refugees. But there is no obvious front-runner. The only sure bet seems to be that with Washington dead set against him, Boutros-Ghali will be out of a job on Jan. 1.

ANDREW PHILLIPS *in Washington*

BELARUS IN CRISIS

The former Soviet republic of Belarus was paralyzed by a confrontation between President Alexander Lukashenko and the parliament. Lukashenko faced impeachment proceedings over a constitutional referendum set for last Sunday that, if approved, would allow him near-dictatorial powers. Russian Prime Minister Viktor Chernomyrdin brokered a peace deal making the referendum nonbinding. But parliament refused to approve the pact.

POPE TO VISIT CUBA

After meeting Cuban President Fidel Castro at the Vatican, Pope John Paul II said he would visit the Communist island. The papal trip, expected next year, is seen as a step towards breaking a 40-year diplomatic impasse between Cuba and the Catholic church

HONG KONG INFERNO

Thirty-seven people died and at least 81 were injured in a fire that swept through a highrise commercial building on the edge of Hong Kong's tourist district. The blaze, the colony's worst since 1957, brought immediate charges that fire regulations were lax

BOTHA DEFIANT

Former South African president P. W. Botha declared he would never apologize for apartheid nor seek amnesty for crimes against black activists committed during his white-run government in the 1980s. After meeting privately with former archbishop Desmond Tutu, whose Truth and Reconciliation Commission is examining the apartheid era, the 80-year-old Botha agreed to continue informal meetings with Tutu

BELGIAN SEX SCANDAL

Belgian Deputy Prime Minister Elio Di Rupo, 45, denied published charges that he had sex with underage boys. Several newspapers said Di Rupo's accuser was not credible, but parliament voted to investigate

DEADLY HIJACKING

A hijacked Ethiopian Airlines Boeing 767 carrying 175 passengers and crew crashed into the sea near the coast of Mozambique. About 45 people were reported to have survived the crash, which occurred when the plane ran out of fuel.

Burnt-out truck aboard stricken train: fears about tunnel safety

A fire in the Chunnel

A fire aboard a train in the two-year-old Channel Tunnel raised fears about safety in the 51-km link between Britain and France. It took firefighters more than 14 hours to extinguish the blaze, which broke out in a truck being carried on one of the high-speed trains that whisk people and vehicles across the English Channel in about three hours. All 34 people aboard were rescued, but investigators said the situation could have been much worse if there had been hundreds of passengers aboard. Although a stricken train is supposed to head for an exit at high speed, the brakes inexplicably locked, trapping the train in the tunnel more than 17 km from the French entrance at Calais. Heavy smoke filled the passenger car, yet the truck drivers and others inside were kept there for 15 minutes before being led to a service tunnel that runs between the two railroad links. French firefighters took 20 minutes to reach the train. An hour elapsed before British firefighters were alerted.

Heat from the blaze, which gutted one truck and damaged 15 others, was so intense that it buckled track and welded some of the wheels to the rails. Eurotunnel officials said it would take two weeks to clear all the damage. But limited freight services resumed four days after the accident, and passenger services were set to follow soon after. Competing ferry services take about seven hours to make the crossing.

ESPIONAGE

Selling to Moscow

U.S. intelligence officials believe that key spy operations have been compromised by a CIA officer accused of selling secrets to Russia. Harold Nicholson, 46, the highest-ranking CIA employee ever to be charged, was due to appear in court in Alexandria, Va., this week. His lawyer said he would plead not guilty to selling Moscow the identities of CIA agents for up to $240,000. Since 1994, Nicholson had trained new recruits in undercover techniques at "The Farm," the CIA's espionage school near Williamsburg, Va., and had access to details of every student. He was also accused of revealing names of U.S. businessmen in Russia who helped the CIA. Officials feared he had blown operations in East Asia as well. Nicholson, however, was not considered as damaging as double agent Aldrich Ames, convicted in 1994 of selling Moscow the names of every major U.S. spy in the Soviet Union during the 1980s.

O.J.'s absolute denial

Simpson: intense

Looking jurors straight in the eye, O. J. Simpson repeatedly denied having anything to do with the murders of his wife, Nicole Brown Simpson, and her friend Ronald Goldman. "That's absolutely not true," the former football star said over and over as he faced a courtroom grilling for the first time since the two victims were slashed to death in 1994. Simpson was acquitted of the murders a year ago after a trial in which he did not testify. Last week, he was forced to take the stand in a wrongful-death civil suit brought by the Brown and Goldman families. Looking intense and exasperated, Simpson responded to a rapid-fire series of questions from family lawyer Daniel Petrocelli. "You went to Nicole's condo and you killed her," Petrocelli said in a typical accusation. Simpson said it wasn't true. He also insisted that he never hit, slapped or beat his wife, despite her statements in journals and to others. "I felt totally responsible for every injury she had," he said. But asked how she got them, Simpson repeatedly replied, "I don't know."

On a wing and a prayer

Canadian Airlines struggles to stay aloft—again

Canadian jets on the tarmac in Toronto: on the brink of collapse

BY DALE EISLER

Mike Lowther calls it "Black Friday"—the day Canadian Airlines International Ltd. told its 16,400 employees that the company was on the brink of collapse. The message was not only grim but familiar: unless the struggling Calgary-based airline slashed wages by 10 per cent, restructured its route schedule and received concessions from minority shareholder AMR Corp., which owns American Airlines, Canadian would be out of business early in 1997. For Lowther, a Canadian Airlines pilot for 10 years, the Nov. 1 announcement was deja vu all over again. "I moped around the house all weekend until my wife said, 'What's the matter with you? You guys fought so hard last time—aren't you going to fight now?' "

CEO Benson: 'this is not negotiable'

JEFF VINNICK

It was the spark of encouragement Lowther needed. Four days later, he attended a staff meeting in Vancouver at which the company outlined its survival plans. "I literally stopped halfway out the door of the meeting and said, 'God damn it—I'm not going to let this go down without a fight,' " says Lowther, who, like other Canadian pilots, absorbed a five-per-cent wage cut two years ago.

For the emotionally weary and financially battered employees of Canadian, fighting to save the company is nothing new. Late last week, the International Association of Machinists and Aerospace Workers, which represents 5,600 Canadian employees, agreed to discuss the company's demand for wage cuts, although only for staff making more than $30,000 a year. "Employees will share some of the pain," said union vice-president Dave Ritchie. And in Ottawa, Transport Minister David Anderson said that the federal government is prepared to consider any proposal to help the company, provided the unions accept the airline's restructuring plan. That could mean lower fuel taxes or a relaxation of the rules on foreign ownership—clearing the way for AMR Corp. to increase its 25-per-cent stake in Canadian.

Last month's proclamation that the company will stop flying unless it finds $200 million in savings is merely the latest twist in a painful and very public struggle for survival. Over the past four years, Canadian employees have absorbed pay cuts of between five and 17 per cent. In return, they received $200 million in share entitlements at an effective price of $13 per share—stock that today is worth a mere $1.80. On top of that, in 1994, Ottawa, Alberta and British Columbia kicked in loan guarantees of $120 million. With each concession, Canadian officials declared that the company was on the road to becoming a worthy competitor to Air Canada.

But the real coup came two years ago when AMR Corp. of Fort Worth, Tex., paid $246 million for its 25-per-cent voting stake in Canadian. Aside from injecting badly needed equity into the debt-ridden carrier, the purchase heralded the start of a "strategic alliance" between Canadian and American Airlines that was essential to ensuring the former's survival in an industry dominated by major players. Or so the story went.

But two years later, Canadian is back on life support. As though stricken with a virus that will not quit, the airline says it needs another massive financial transfusion—including $70 million in wage concessions. Without the restructuring, Canadian president and CEO Kevin Benson has said, the airline is doomed.

After initially using the media to publicize their warnings of a financial crisis, the airline's executives ran for cover last week, avoiding interviews or speaking only on condition of anonymity. The cone of silence descended after the Nov. 15 resignation of the company's 10-member board of directors, including former Alberta premier Peter Lougheed, CTV chief executive John Cassady and Benson himself, a native South African who assumed control of Canadian last summer following the resignation of Kevin Jenkins. A terse news release explained that the directors had stepped down on advice of legal counsel to avoid personal responsibility for the company's payroll costs in the event of bankruptcy. But while the decision added to the atmosphere of crisis, airline officials insisted last week that their focus was on finding internal solutions rather than continuing to air the company's woes. "We've been quoted enough," said one senior manager.

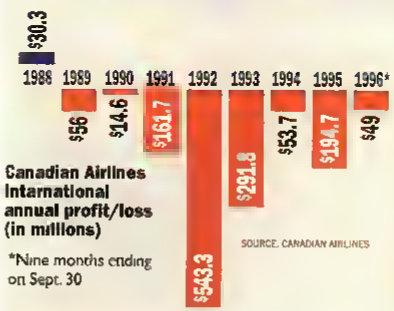
It is difficult, if not impossible, to argue with Benson's dire assessment of the airline's condition. Canadian has been hemorrhaging money for years. Its last reported profit was in 1988, since then, the company has piled up almost $1.4 billion in losses, including a shortfall of $49 million in the first nine months of the current fiscal year. Without drastic measures, Canadian could be out of cash early in the new year. "This is not negotiable. There is no Plan B," Benson warned earlier this month when asked if there are alternatives to the wage cuts. If there is no agreement, Benson says he will have no choice other than "to move in a dignified way to close the company."

With pressure growing by the day, the effort to save Canadian last week took on an air of desperation. Benson spent much of the week locked in meetings, alternately trying to convince leaders of the airline's six unions of the need for concessions and reassuring a gathering of key corporate clients and travel agents that Canadian hopes to remain in the air. Meanwhile, 20 hopeful-sounding Canadian employees in Vancouver who call themselves "Team Tomorrow" began peddling T-shirts emblazoned with the slogan, "I believe in Canadian Airlines." After selling out a first batch of 50 shirts in one day, the group ordered 200 more—a sliver of optimism in an otherwise bleak situation.

Privately, company officials blame the crisis on rising fuel costs, a depreciating Japanese yen—which has sliced deeply into the profitability of Canadian's Far East routes—and cutthroat competition in Western Canada from WestJet and Greyhound, two recently launched discounters. But while all are important elements in Canadian's financial dilemma—this year's fuel bill, for example, will be about $525 million, compared with $475 million in 1995—they fail to account for the severity of the problem, particularly given that archrival Air Canada has managed to pull out of its financial nosedive and record a $167-million profit for the first nine months of 1996.

As is often the case when large corporations reach the brink of bankruptcy, there is no single reason for Canadian's dire situation. Many of its problems are deeply rooted in the company's past, while others—such as the 1988 deregulation of the Canadian passenger market and the 1995 "open skies" agreement between Canada and the United States—were beyond its control. Barry Prentice, director of the University of Manitoba's transportation institute, says that many of Canadian's difficulties can be traced back more than a decade. "You have to delve into the company's history before the last crisis to

RUNNING ON EMPTY



Canadian Airlines International annual profit/loss (in millions)

*Nine months ending on Sept. 30

SOURCE: CANADIAN AIRLINES

SOURCE: TORONTO STOCK EXCHANGE

WHO EARNS WHAT

Current top rates for employees of Canada's two major airlines

	AIR CANADA	CANADIAN AIRLINES
Captain (747)	$215,000	$190 776
Mechanic	$45,580	$44,820
Cleaner	$34,308	$32,796

SOURCE: INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS, CANADIAN AIRLINES, AIR CANADA PILOTS ASSOCIATION

understand why it has come to this," says Prentice.

In the mid-1980s, with deregulation of the air industry on the horizon in Canada, domestic carriers were looking to the already deregulated U.S. market for a survival strategy. What they saw were big airlines gobbling up smaller carriers and creating what the industry terms "fortress hubs"—major airports dominated by a single carrier. It was in 1987 that Canadian itself emerged as a major carrier when Pacific Western Airlines, based in Calgary, purchased CP Air with its lucrative Far East routes from Canadian Pacific Ltd. Two years later, the newly renamed Canadian Airlines International Ltd. bought Wardair, a charter carrier that had moved into the scheduled market. The acquisitions established Canadian as a clear rival to Air Canada, but they also burdened the company with a huge debt at a time when the economy was slowing down. From $91 million in 1985, Canadian's long-term debt exploded to more than $1.5 billion by 1990.

In the late 1980s, the cost of aircraft was also escalating rapidly, creating what Prentice describes as a buying frenzy among airline companies not unlike the psychology that grips the housing market when prices are increasing. Ted Larkin, an analyst with

Jankins: the last reported profit was in 1988

the Toronto brokerage firm Bunting Warburg, says that Canadian's purchase of Wardair, which had significantly increased its own fleet as part of its move into the scheduled market, "was the turning point. Not only was an enormous amount of debt consolidated on its balance sheet, but Canadian acquired a fleet of aircraft that were not compatible with their own, which meant higher maintenance costs."

Canadian's timing could hardly have been worse. No sooner had it positioned itself as a major airline than the recession struck. The result was more flights and more empty seats—a problem that persists today. In Canadian's case, the average proportion of seats sold per flight fell from a pre-deregulation peak of almost 70 per cent in 1987 to 64.5 per cent in 1991 and 65 per cent in 1995. Meanwhile, the two airlines were slashing fares and adding capacity.

Some argue that this kind of predatory competition is the reason Canadian is on the ropes. "The thing about airlines is the type of competition that gets unleashed is quite different from the perfect competition of economic textbooks," says economist Jim Stanford of the Canadian Auto Workers union, which represents 4,000 Canadian employees. Instead of an equilibrium in which competitors coexist within the same market, airlines seek to drive each other out of business—or at least out of key markets—so that they can raise prices and fill their planes. "They're happy to take losses as part of a short-term thing," Stanford says, "but the problem is that short-run losses become long-run losses because the competition does the same thing." An example is the high-volume Toronto-Ottawa-Montreal market, long dominated by Air Canada's Rapidair service. Larkin calls it the "Bermuda Triangle" of the Canadian airline industry, a region in which small carriers such as Nationair, City Express and Intair have all disappeared after trying to take on Air Canada.

Ignoring the lessons of the past, Canadian launched the upgraded Eastern Shuttle service last January in a bid to capture a larger share of the business market in southern Ontario and Quebec. That followed Air Canada's decision to pour more resources into serving the Calgary-Edmonton-Vancouver triangle in Canadian's backyard of Western Canada. CAW president Buzz Hargrove, for one, maintains that this kind of rabid, dog-eat-dog competition is destabilizing to the industry and that the federal government should stop it. Rather than allow the industry to destroy itself, he adds, Ottawa should re-regulate the industry and create a "fair price commission" that would protect travellers from unjustified price increases.

Transport Minister Anderson, however, rejects Hargrove's suggestion, saying that deregulation has greatly benefited consumers. "Even if the regulatory genie could be put back in the bottle, it would be wrong to do so," he said in Montreal last week. Echoing that view, Dave Frank, an analyst with Vancouver-based Horizon Pacific Ventures Ltd., calls deregulation a "total, absolute red herring." Those who blame deregulation for Canadians' woes, he says, need to explain why Air Canada is on stronger financial ground. "Were they in a different version of deregulation? End of analysis," says Frank.

Some of the problems can be traced back more than a decade

In fact, the advent of open skies, under which U.S. carriers are allowed access to Canadian airports but not the Canadian domestic market, may be the key to Canadian's survival. When the company struck its partnership with American Airlines, the agreement allowed the two airlines to take advantage of each other's strengths: Canadian's access to Far East destinations such as Tokyo, Hong Kong, Taiwan, China, Malaysia, and American's 25-per-cent share of the massive U.S. market.

Although Canadian and American consummated their alliance two years ago, the benefits from that marriage have yet to be realized. The two could not begin co-ordinating their schedules and prices until American won U.S. antitrust immunity last May. As a result, only in recent months has American increased its flights into Vancouver to link with Canadian's flights to the Orient. "Now you see American flights from Dallas, Miami and New York all arriving within an hour to link with Canadian's flights over the Pacific," says Frank. "That's some pretty serious horsepower." Another key to the partnership is Canadian's use of AMR's state-of-the-art Sabre reservation system. By tapping into the system, Canadian can get an analysis of any route's profitability by the day, or even the hour. "It's like going from a pocket calculator to a high-powered desktop computer," says Canadian chief financial officer Doug Carty, whose brother, Don Carty, is CEO of American Airlines.

Clearly, it is the still-unrealized potential of Canadian's alliance with American Airlines that holds the key to the Calgary company's survival. Lowther says he believes the company has the right plan and will find its way through the latest turbulence. "I feel more optimistic by the day," he says. For employees of Canadian Airlines, of course, optimism has long been a job requirement. □

Deirdre McMurdy

The Bottom Line

Degrees of separation

It's a cross between a social theory and a parlor game. The notion is this: everyone on the planet is connected to every other individual by, at most, six people. In other words, if your friend's sister's boss knows Anne Murray, you are separated from the singer by four acquaintances. It's the premise behind the play, *Six Degrees of Separation*, and the 1993 movie of the same name.

In Canadian business, the separation between senior executives is, at most, about two degrees. Because the country's economy is relatively small, power tends to be concentrated in the hands of a very few. And that's why, despite the best efforts of corporate governance crusaders, the same names keep cropping up on various boards of directors.

On Nov. 14, the Washington-based National Association of Corporate Directors released a report strongly recommending that directors serve on no more than six boards. The limit would be four boards if the person was employed full time and two if the person was a chief executive.

> In Canadian business, power tends to be concentrated in the hands of a select few

In Canada, such restrictions would trigger a dramatic diffusion of power—the sort of power that was on full display at the recent CEO of the Year gala. Resplendent in black tie, chief executives gathered in Calgary to celebrate Ron Southern, the chairman and chief executive of Atco Ltd., an international trailer company.

While Southern bagged the official kudos as the 1996 CEO of the Year, it's a shame there wasn't another prize for the person with the fewest degrees of separation from all the others. Even in a highly competitive field, the hands-down winner of that honor would probably be Senator Trevor Eyton. He's the chairman of four companies and a director of 16.

Before dinner, grace was said by Bill Britton, chairman of Calgary's top law firm, Bennett Jones Verchere. As a younger man, Britton played football with Eyton. Britton himself is a longtime friend of Ron Southern and a director of Atco as well as 11 other firms. At Bennett Jones, he's a partner of former Alberta premier Peter Lougheed. Lougheed is a chairman of two businesses and a director of 12—including Atco.

At the head table, Southern sat with John Cassaday, CEO of the CTV Television Network. Both men, along with Lougheed, were directors of Canadian Airlines Corp. until they resigned on Nov. 15 to avoid personal liability if Canadian goes into bankruptcy. Eyton, who sat at an adjacent table, is the first cousin of Rhys Eyton, the former chairman of Canadian Airlines. Rhys Eyton still serves as a director of Brascan Ltd., a company in the Hees-Edper stable that used to be run by his cousin Trevor.

Trevor Eyton is also a former colleague of Kevin Benson, the new CEO of Canadian Airlines. Benson is a former CEO of the Calgary real estate company Trizec Corp. Trizec used to be a core asset of the Hees-Edper group of companies. When it was about to collapse under a $5-billion debt load, Trizec was salvaged by Peter Munk of Horsham Corp. and Barrick Gold. Eyton is a director of Barrick Gold. And so is former prime minister Brian Mulroney, who appointed Eyton to the Senate.

Seated on Trevor Eyton's left at the dinner was Donald Mazankowski, who served as deputy prime minister under Mulroney. On his right was Paul Godfrey, CEO of Sun Media Corp. Eyton is chairman of the SkyDome Corp. of Toronto, while Godfrey is a director.

Another familiar face among the corporate glitterati was Kevin Jenkins. Jenkins, once the protégé of Rhys Eyton at Canadian Airlines, is the former CEO of that company. After months of intense pressure, he finally left the airline during the summer. He now heads a Calgary high-technology venture.

Corporate governance is the subject of much scrutiny these days. Earlier this year, a Senate committee reviewed the Canada Business Corporations Act with an eye to reforming the rules. The committee made some preliminary suggestions on how to improve the act, but no concrete changes have materialized yet. But then, Trevor Eyton is also a senator. And there's no way to legislate degrees of separation.

Business NOTES

A WARNING FOR CANADA

Canada's economy is dangerously dependent on the United States, the World Trade Organization warned. While Canadian companies are becoming more competitive and the economy is picking up, the recovery is narrowly focused because the United States accounts for 80 per cent of the country's exports and 66 per cent of imports, the Geneva-based group said in a review of Canadian trade.

BANKING IN BEIJING

Bank of Montreal became the first Canadian bank licensed to operate a branch in the Chinese capital. Canada's second-largest bank was one of only eight foreign banks given permission to operate in Beijing. Expected to open in April, the new branch will join an existing Bank of Montreal office in the southern city of Guangzhou.

GM SELLS PARTS PLANTS

General Motors sold four parts factories in Michigan and Ontario to Detroit automotive executive businessmen Edward Gulda and Joseph Littlejohn & Levy, a New York City buy-out firm. Details were not announced, although GM reportedly awarded the new company, Peregrine Inc., a supply contract worth more than $5 billion over five years. The two Ontario plants were at the centre of a recent battle over outsourcing between GM and the Canadian Auto Workers union.

CHARGES IN TEXACO CASE

A former executive of Texaco Inc. who tape-recorded fellow managers making racist remarks was charged with obstruction of justice. The FBI accused Richard Lundwall of hiding and shredding documents requested by the plaintiffs in a race discrimination case. Lundwall turned over the tapes to the plaintiffs after he was laid off last August. Texaco agreed last month to pay $220 million to settle the suit.

MASTERCARD GETS SMART

MasterCard International Inc. bought 51 per cent of Mondex International Inc., a British pioneer of smart card technology. The Royal Bank and CIBC each own five per cent of Mondex. The deal means that computer-chip cash cards will be "in more pockets and purses, in more countries, more quickly than we had planned," said Mondex CEO Michael Keegan.

A credit card controversy

More than 80 MPs from all parties accused banks and large retailers of charging sky-high credit card rates. Although the banks' prime rate recently dropped to a 40-year low of 4.75 per cent, the rates on major credit cards range as high as 18.5 per cent. Department stores and gasoline retailers, meanwhile, typically charge 28.8 per cent. "The margins have never been this great in our history," said John Solomon, a New Democrat from Saskatchewan. Liberal MP Charles Caccia introduced a private member's bill that would force banks and stores to lower their credit charges. "Banks continue to set record profits," Caccia said, "yet Canadian consumers are paying exorbitant interest rates."

The six major banks are expected this month to announce unprecedented annual profits, totalling more than $6 billion. But in spite of the criticism, the industry is unapologetic about the interest charged on card balances. Credit card rates are not based on the prime rate, said Raymond Protti, president of the Canadian Bankers Association, but on the amount of delinquent payments, losses from customer defaults and rising credit card fraud. Randy Scotland, a spokesman for the Retail Council of Canada, added that the MPs are "insensitive" to the high costs that stores incur for their own credit card programs, and called their protest "opportunistic." Meanwhile, one senior banker defended the industry's profits. "What precisely are we doing that's wrong?" asked Charles Baillie, president of the Toronto-Dominion Bank.

PETER BREGG/MACLEAN'S

Charging it in Toronto: historically high margins

Mutual fund millions

Canada's best-known mutual fund manager, Frank Mersch, stands to make as much as $45 million from the ongoing takeover battle for his employer, Altamira Management Ltd. Mersch is among eight Altamira executives who have large equity stakes in the country's 12th-largest mutual fund company. In October, Manufacturers Life Insurance Co. of Toronto offered $32 a share or $660 million for the company. A rival bid from TA Associates Inc. of Boston is valued at $38 a share or $784-million. Altamira chairman Ron Meade and Almiria Capital Corp. of Montreal own 41.5 per cent of the company and support TA's offer, while Mersch and 39 other fund managers are backing Manulife. The two sides will square off in court later this month.

FINANCIAL OUTLOOK

Inflation rose faster than expected in October, but the increase was not enough to trigger a rise in borrowing costs. The annual rate was 1.8 per cent in October, compared with 1.5 per cent a month earlier. Excluding the volatile food and energy components, the so-called core rate stood at 1.3 per cent, close to the bottom of the Bank of Canada's one to three-per-cent target range.

Retail sales in September were only fractionally higher than a year earlier, but there are early indications that consumer spending picked up in October. Similarly heavy business investment in the July-to-September quarter contributed to a 20-per-cent increase in merchandise imports. And Canada Mortgage and Housing Corp. raised its forecast for housing construction in 1997, reflecting optimism about the impact of lower interest rates. The federal agency expects 134,600 housing starts next year, up from 123,000 in 1996.

BANKRUPTCIES

Consumer and business failures

Jan-Sept 1995:	Jan-Sept 1996:
57,535	60,353

SOURCE: STAT ST CG CANADA

"The big story on the regional breakdown is the massive slippage in B.C. [retail] sales. After leading the country for years, retail activity in British Columbia is going into reverse, falling 2.3 per cent in September."
—Nesbitt Burns

"The combination of strong economic and employment growth and excellent affordability due to low mortgage rates and buyer-friendly house prices is positive for strong housing demand in 1997."
—Clayton Research Associates

Peter C. Newman

Can Yves Fortier be the next UN boss?

There's an apocryphal story about a conclave of cardinals meeting in Rome to select a new pope. During a particularly tense moment, an elderly cardinal has a heart attack and dies. As he is being carried out, one cardinal conspiratorially whispers to another: "I wonder what his motive was?"

That may be only a slight exaggeration of the politically charged atmosphere that typically surrounds the Vatican's succession. But it's mild compared with the infighting that's currently going on to choose a new secretary general of the United Nations. Quietly, and without his active participation, at least one Canadian may be in the running.

The five secretaries general who preceded the incumbent, Egypt's 74-year-old Boutros Boutros-Ghali, have represented every continent except North America. Despite African claims to the position, some feeling has emerged at the United Nation's New York City headquarters that it may be time for a Canadian to fill the organization's top post. (Lester Pearson almost made it in the late 1950s, but he was vetoed by the Soviets. Brian Mulroney's 1991 candidacy was supported by the United States, Britain and France, but political problems kept him at home.)

The most obvious Canadian choice is Maurice Strong, 67, who has held many notable international appointments, including his current role as senior adviser to the president of the World Bank in Washington. A true citizen of the world, Strong knows just about every head of state on a first-name basis, is the recipient of 37 honorary degrees, and, but for one significant factor, would be eminently qualified for the job. Strong, cannot, as hard as he has tried, learn French, and Paris, with its veto, has made it very clear—as have the other members of La Francophonie—that they will not accept a secretary general who doesn't speak what France still considers the official language of diplomacy.

That's not an issue with Yves Fortier, 61, the fluently bilingual Montreal lawyer, who was Canada's ambassador to the United Nations from 1988 to 1992. He was appointed by his friend and former and current law partner, Brian Mulroney, although Fortier has been a lifelong Liberal and was even touted for the party's leadership before Jean Chretien took over. Currently, Chretien's entourage has quietly communicated its blessing of the Fortier candidacy, particularly since it would provide a global showcase for a French-speaking federalist. Fortier himself will not publicly confirm or deny his interest.

During his time at the United Nations, Fortier became vice-president of the General Assembly and, during his two stints as president of the Security Council, established a sterling reputation. What impressed UN observers most was his ability to handle international problems by whispering the right word to the right person at the right moment. "He quickly learned the rhythm and global vocabulary of this place, and how to recognize the trigger phrases in other people's rhetoric," says one current UN ambassador. (Nobody wants to be quoted by name when it comes to UN elections, the internal politics are too intense.) In 1991, before Mulroney's name was mentioned, a delegation of UN ambassadors secretly called on Fortier, urging him to run for the top job, but the abortive Mulroney candidacy intervened.

> He knows 'the rhythm and vocabulary, and how to recognize the trigger words in other people's rhetoric'

A Rhodes Scholar and high-profile corporate director (Dupont Canada Inc., Northern Telecom Ltd., Southam Inc., The Royal Bank of Canada and TransCanada PipeLines Ltd.), Fortier won his diplomatic spurs as one of the country's most sought-after arbitrators. A member of the London-based International panel of Distinguished Neutrals and the London Court of International Arbitration in the Hague, he is regularly called on to take the sting out of international disputes, and in the past has tackled everything from salmon fishing treaties to the delimitation of maritime boundaries in the Gulf of Maine. His most dramatic success was negotiating a difficult peace between Canada and France over fishing rights claimed by the islands of St-Pierre and Miquelon in 1989. In some ways, being UN secretary general means becoming the ultimate world arbitrator.

The UN selection process is complicated, lasting as long as six weeks in 1981 when 16 ballots were required before Peru's Javier Perez de Cuellar finally got the job. The secretary general, who is paid $306,800 a year, heads the international body's staff of 16,000, representing 150 countries. Candidates are nominated by the Security Council, its permanent members (the United States, Russia, France, the United Kingdom and China) having veto power in the selection. The successful candidate must also win at least nine of the 15 council votes.

All but the first secretary general, Trygve Lie of Norway, have been elected for two five-year terms, but the United States last week vetoed the reappointment of Boutros Boutros-Ghali on the grounds that the veteran diplomat is incapable of imposing administrative order on the organization. "The United Nations needs more of a secretary than a general," is a typical state department critique.

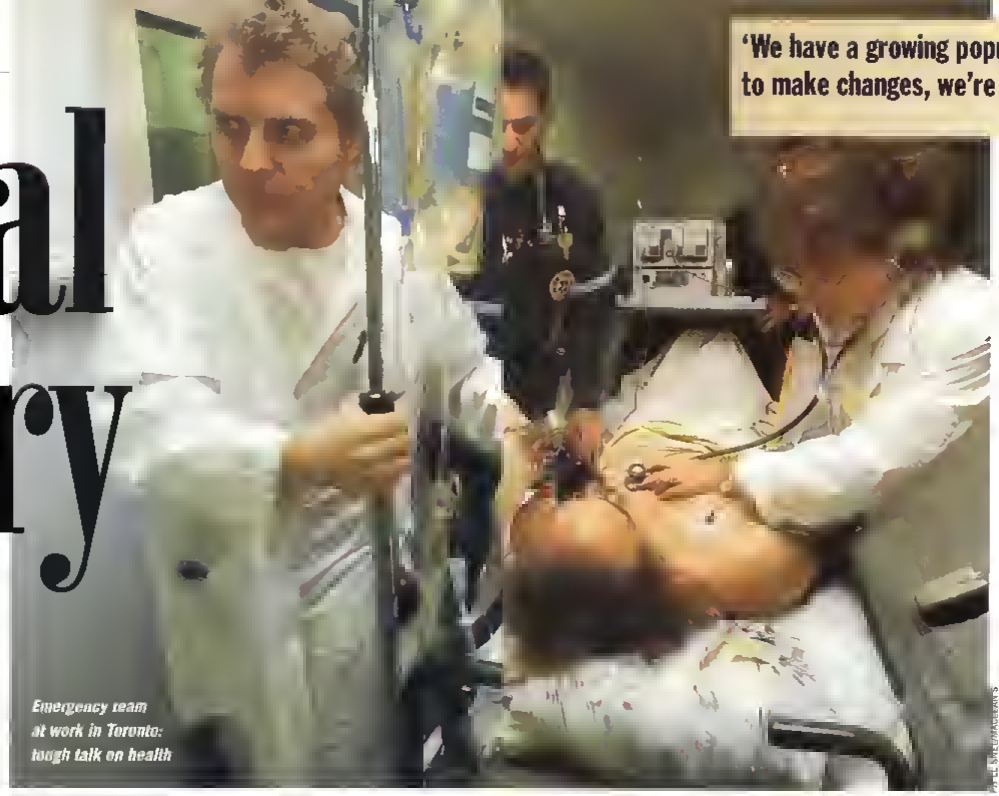
Even if he decides to go for it, Fortier may not get an immediate chance to occupy the world's most prestigious diplomatic post. Because of the Boutros-Ghali veto, the United Nation's African members insist they're owed another appointment from their continent.

Still, there is no doubt that given the chance, Fortier would fill the post with distinction. For the moment he's not saying much, and if he's campaigning at all, it's strictly over martinis at private clubs where discretion is demanded and given. "This," Fortier told me last week, "is not a job you run for—or run away from."

Radical Surgery

Cuts in public funding imperil medicare's future

BY JOE CHIDLEY



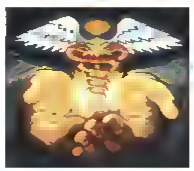
Emergency team at work in Toronto: tough talk on health

PAUL SHEE/MACLEAN'S

'We have a growing population, an aging population. Unless we start to make changes, we're going to be in ever-deepening trouble'

—Physician Michael Wyman at the Maclean's*/CBC forum*

Like hundreds of other hospitals across the country, The Pas Health Complex—a 60-bed facility attached to a 62-bed nursing home—has had its budget slashed and its staff reduced. It is operating on 20 per cent less money, or $1.4 million, than it did three years ago. About 50 staff—mostly nurses—have been laid off. And the hospital suffers from a chronic shortage of physicians: only five serve about 20,000 people in and around the northern Manitoba town, including residents of the nearby Opaskwayak Cree reserve. "I've got almost no doctors," says health complex vice-chairman Gordon Bulmer, "but I've got a surplus of nurses because I keep firing them." It would be bad enough, Bulmer adds, if more cuts were not on the way. But they are—and may translate into cutting such services as chemotherapy, or obstetrics, or dialysis. The way things are going, he says, the health complex will soon consist of a trailer with three exits. "One door, if you're not too bad, will take you to Flin Flon's hospital 100 miles away, and Door No. 2, if you're worse off, will take you to Winnipeg," Bulmer adds. "But Door No. 3 will be the busiest—it'll take you to the funeral home."



It may be small solace to the people of The Pas, but the town on the banks of the Saskatchewan River shares something with communities across Canada: anxiety about the health-care system. Thirty years after Prime Minister Lester B. Pearson's government passed legislation that, by 1972, would create national, publicly funded medicare, health care is undergoing radical surgery. Hospitals are closing, or merging, or restructuring. Doctors are anxious about their independence, and their incomes, as provincial governments curtail spending. In the background lurks the spectre of a two-tier health system—the antithesis of the universal coverage Saskatchewan's medicare pioneer, Tommy Douglas, envisaged in the postwar years. With governments spending less, the private sector is picking up the slack, increasing the share of the health tab paid by nongovernment interests. As health-care professionals and consumers grapple with change, the question is whether Canada's health-care system is going through the pangs of a rebirth into a new, better form—or through its death throes.

In some respects, at least, reforms are long overdue. Almost everyone in the field agrees that the current system is really a non-system—bloated, inefficient and unstructured. Canadians pay more than ever for health care—9.5 per cent of gross domestic product, compared with 8.5 per cent in 1985. And increasingly there is a sense that they are not getting their money's worth: according to a *Maclean's*/*Medical Post*/Angus Reid poll, a declining number of people award top grades to Canadian health care (page 48). The solution, boldly stated by politicians both federal and provincial, is that the system needs tough medicine. As Prime Minister Jean Chrétien said of medicare at the Liberal party convention in October: "We needed to squeeze it in order to keep it."

Reform is happening, although its scope and pace vary from region to region. The reformers promise a more efficient and more responsive health-care system. But for now, there exists a wide gap between the theory and the reality, between what the leaner system of the future is supposed to do and what is actually happening to hospitals, health-care workers and patients. In many areas, mere cost-cutting is outpacing real reform. And the consequences, some observers say, could be dire. "When you start taking money out of the system, what you see is cracks forming, and patients falling through the cracks," says Tom Closson, president and chief executive officer of Sunnybrook Health Science Centre in Toronto. "You're going to see patients becoming the victims."

In June, 1994, Harry and Beatrice Cunningham, a retired couple from the central Ontario town of Bobcaygeon, visited their daughter, Joanne Campbell, in Vancouver. They planned to stay for 10 days, but while there, Harry Cunningham fell ill from emphysema. Hospitalized for two weeks, he was released to the care of his daughter—a medical office assistant with three children, whose resources were already stretched by looking after her mother, who suffered from Alzheimer's disease. "It was a bit of a scary time," says Campbell, 41. "My father needed to be put in better care." But her parents did not qualify for subsidized nursing-home care because of British Columbia's three-month residency requirement. And in any event, the waiting period to get into a subsidized facility was more than a year.

Frustrated, Campbell contacted the Ontario ministry of health, which said it would pay for her father's return to Ontario by air ambulance and find him a subsidized bed. But Campbell was reluctant to split her parents up—"They were a real team," she says. Instead, they entered a private nursing facility in Vancouver at a cost of $4,000 a month, none of which Ontario would pay under its health insurance plan. In mid-1995, the Cunninghams were granted B.C. residency status—too late for Harry, who had died in March of that year. Last August, Campbell's mother was admitted to a subsidized care home in Kelowna, 270 km from Vancouver. By then, Campbell's parents had paid almost $70,000 for private care. "It was a real nightmare," says Campbell. "I don't know what would have happened if they hadn't been able to pay those costs themselves."

National medicare is not supposed to work that way. Portability is one of the hallmarks of the Canadian health-care system. But increasingly, distinctions between provinces over covered services, residency rules and payment methods have made accessing care in other provinces complicated, to say the least. Some provinces, especially Quebec, are notorious for not paying in full the medical bills of Quebecers treated outside the province. The five pillars of medicare—public administration, comprehensiveness, universality, accessibility and portability—seem to be crumbling. It is an erosion that many critics lay firmly at the feet of the federal government.

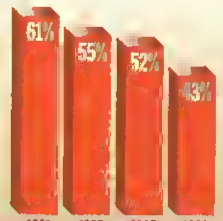
Federal Health Minister David Dingwall, who says he is a staunch defender of health care, insisted at the Liberal convention in October that the system's problems "have nothing to do with money." But he may have overstated his case. In fact, the murky, complicated world of federal-provincial transfers has much to do with the changes in medicare.

Some history: in 1977, the federal government transferred 13.5 tax points to the provinces, increasing their taxing power. From then on, federal transfers for social services consisted of a basic cash element—money directly paid to the provinces—plus the revenue generated by tax points. Originally, the cash element was tied to growth in GNP, but since the mid-1980s, the cash portion of federal funding has steadily declined. At the same time, however, the federal government has updated the value of the tax points it transferred to the provinces back in 1977, in line with population growth and other factors. But Ottawa did not inflate the remaining cash payments in similar fashion. As a result,

What People Are Saying

Coast to coast, Canadians are less inclined to give top grades to their medicare, finds a *Maclean's*/*Medical Post*/Angus Reid opinion poll . . .

Percentage of poll respondents rating the Canadian health-care program "excellent" or "very good":



. . . and most—56%—expect the system to worsen over the next 10 years.

But equally substantial majorities say that health care could not be privatized without favoring the rich over the poor (56%) and oppose developing a two-tier system that permits private user-pay medicine alongside publicly funded basic care (57%).

only on paper did the federal share of provincial health expenses decline to 32 per cent in 1995 from 41 per cent in 1977. In real terms, federal payments are even smaller, falling to 16 per cent of provincial expenditures from 25 per cent over the same period.

Under the Canada Health and Social Transfer, a new funding scheme that lumps together payments for health, education and welfare, the federal government has pledged to hold the line at a total of $25.1 billion—the level projected for 1997-1998—until the year 2000. And it has promised that the cash portion of the health and social transfer payments will not fall below $11 billion. But that is still $7.2 billion less than in 1995-1996. "There has been a massive withdrawal of funding and people don't seem to realize that," says physician Derryck Smith, president of the British Columbia Medical Association. "And the federal government has gotten away with it." As the cash portion of federal funding continues to dwindle, so, too, does Ottawa's ability to ensure provinces maintain national standards. In one of its preliminary reports, the 24-member National Forum on Health—which has Chrétien as its chairman and Dingwall as its vice-chairman—sounded the alarm about the trend towards less federal funding. If it continues, the forum wrote, "Canadians can expect to see the national character of the system deteriorate."

Joanne Campbell: her parents' ordeal was 'a real nightmare'

GARY MOON

The pillars of medicare seem to be crumbling

Declining federal funds have forced individual provinces to scramble to make do with less. The result has been a patchwork of reforms across the country, although there are some consistent patterns. One is to regionalize health administration. The idea is to reduce duplication of services and to integrate the various silos of administration—hospital boards, public health boards and some social services. In general, the focus of the regional authorities has been on hospitals: reducing lengths of stay, often by closing beds, and shifting funds into primary and home care.

But in some areas, the creation of regional authorities has led to squabbling and disappointment. Typically, their members are appointed, not elected—raising questions about their accountability, and whether their creation is merely a buck-passing manoeuvre for cost-cutting provincial governments. In Manitoba, Mayor Gary Hopper of The Pas was so concerned about the local hospital that he and Cree Chief Francis Flett last month made the seven-hour drive to Winnipeg to voice their concerns to Conservative Health Minister Jim McCrae. "He just referred us to the regional health authority," says Hopper. But Hopper has little confidence that the health authority—which, when it is up and running in April, 1997, will be based in Flin Flon—will have much concern for the problems in The Pas. "Whether it's coincidence or not, there's an awful lot of Conservatives on those boards," he says. The Pas, Hopper notes, voted New Democrat in the last provincial election.

Bonnie Cessford's mother, Hazel Campbell, was admitted to hospital in Edmonton on Dec. 20, 1995, complaining of diarrhea. She died the following May at the age of 71. In August, Cessford wrote Premier Ralph Klein about her mother's treatment. According to Cessford, her mother was twice discharged and readmitted—the second time, she came back with a perforated bowel. Early in her hospital stay, she fell three times trying to reach the bathroom unassisted—there was no one to help her. During one of those trips, her intravenous became dislodged and contaminated with diarrhea, but a nurse put the IV back without cleaning it, Cessford maintains. She says that there were several incidents when her mother had to lie in diarrhea for several hours. "There's nothing more we can do for my mother," Cessford says. "But I have children, I have a grandson. I don't want this to happen to anybody else." Recently, she met with officials from the regional health authority who, she says, "tried the best they could to address" her complaints. "They're working on it," she adds. Although "without extra money, I don't know how they're going to be able to do much."

In the 1990s, hospitals have become battlegrounds. In Nova Scotia, the number of acute-care beds has been cut by about one-third since 1992-1993, to 3,481. In Ontario, the government-appointed Health Services Restructuring Commission has targeted roughly 20 per cent of the province's 24,000 beds for closure; an estimated 15,000 nurses will lose their jobs over the next three years. The thrust is straightforward: there are too many beds in too many hospitals, and money could be spent more efficiently helping people look after themselves.

At least in part, the push is related to a new way of thinking about health care and how it should be delivered. "The in-patient that used to be the dominant business in health care is really rapidly becoming the minority business," says Michael Decter, managing director of Canada for APM Management Consultants Inc., a U.S.-based company that specializes in re-engineering hospitals to increase their efficiency (its annual billings top $100 million). A former deputy minister of health in Bob Rae's Ontario government from 1991 to 1993, Decter maintains that new technologies and drugs have reduced the need for hospital stays. And the public likes it. "People are saying, 'Wait a minute, if I get a choice between lying in bed for a week to have my cataracts taken out with a scalpel, or getting them done in half an hour with a laser—it's an easy choice.'"

Shorter hospital stays may work well for relatively healthy people recovering from minor surgery, but for others—particularly the elderly—the effects can be devastating. Ethel Meade, health issues convener for the 400-member Older Women's Network in Toronto, says that she knows of elderly people who have been released from hospital only 48 hours after suffering a stroke. "The idea of sending people home after a stroke like that is appalling," adds Meade. "If you're old, you're just a nuisance to the system."

Still, many hospitals are attempting to better integrate the way they look after patients. The biggest shift is what systems planners call "horizontal integration"—sharing of services by spreading them out over different hospitals. But it is not always the seamless process its name implies. For one thing, it can be severely disruptive to staff. A provincially commissioned survey of 3,450 workers at the Queen Elizabeth II Health Sciences Centre in Halifax—created by the 1995 merger of four smaller facilities, cutting 500 jobs and $50 million in collective debt—found that most workers doubted the merger would improve patient care or save money. And they had little sense of loyalty, the survey reported, to the new health centre.

Harold Swanson, a former radiologist who worked for 36 years at Calgary's Bow Valley Centre, says that dividing up programs between hospitals presents health risks. (The Bow Valley is scheduled to close next April; many of its services—including neurosurgery and most of its trauma centre—have already moved to Calgary Foothills Hospital.) "When you get into one hospital and you're in there for a chest problem and you have suddenly a problem with your heart or your head, they may not have those specialists there to look after you," says Swanson, who ran against Klein for the Tory leadership in October in the riding of Calgary/Elbow. "And you know it's dangerous to transport patients 10 miles across town. They may not make it."

ROBERT F. COUCH

Hollingsworth: a victory in Alberta

For others, horizontal integration simply does not go far enough. "What hospitals are trying to do now is live the same way," says Jane Cornelius, president of the 50,000-member Ontario Nurses' Association. "They've been told they can't cut programs, so they're diluting front-line staff. The community is the real loser." Instead, the nurses propose an alternative that would vertically integrate primary, home and acute care. The association's plan calls for the creation of so-called integrated delivery systems, which would receive funding directly from the province and allocate resources depending on the needs of the community. Patients would carry their funding dollars with them wherever they go. If one integrated delivery system provided better service than another and attracted more patients, it would earn more money—encouraging competition among health-care providers.

The National Forum on Health and a handful of health-care experts—including the Policy Group on Health Reform, a coalition of health-care professionals from across the country—favor similar vertically integrated health systems. But several factors stand in the way. For one, the schemes depend upon the principle of capitation, which would replace traditional fee-for-service payment to doctors with a salary—hardly a popular concept among physicians. Perhaps more important, many doubt that the political will exists to radically alter the system. Still, Sunnybrook CEO Closson, who along with Decter sits on the Policy Group for Health Reform, remains hopeful—in a way. "It has to happen, because we've got growing and aging populations while we try to take money out," he says. "Over the next few years, you're going to see a bunch of pieces on the front of the newspaper about people dying because nobody was taking responsibility. When that happens, I think it's going to cause governments to intervene in a more active way."

Is that the future of health care? A string of unnecessary disasters before real reform? Against such a depressing prognosis, there are signs that the political trend towards cutting health care—at any cost—may be reversing. In Alberta, Klein was set this week to announce plans to reinvest an estimated $335 million back into health care over the next two years. With an election expected next spring, Klein has dismissed suggestions that the reinvestment is an admission that health-care cuts have been too deep. "You can put all the money in the world into health care," he said, "and there will still be problems." That may be true. But in the world of health care, as in politics, money talks.

Amid the controversy over funding and reform, hospitals and institutions, it is easy to lose sight of what medicare can mean to individuals. Not so long ago, Richard Hollingsworth's voice would choke with emotion as he described his situation. Hollingsworth is 43, and he is infected with HIV, contracted while he was an intravenous drug user on the streets of Vancouver. He is now sober. And since the fall, his HIV infection has been treated with a class of drugs called protease inhibitors—which, he says, have improved his health dramatically. The drugs are expensive—about $645 a month—but are covered under British Columbia's health plan.

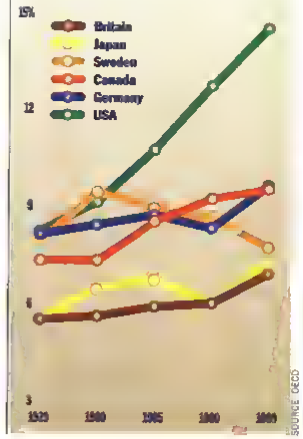
But Richard Hollingsworth wanted to live in his home town, Edmonton, where his fiancé lives and where he has a promise of employment as an AIDS educator. The problem: Alberta did not cover protease inhibitors on its provincial drug plan. And he could not afford them on his $505-a-month disability pension. So, every month, Hollingsworth—still officially a B.C. resident—commuted to Vancouver to get his drugs. For a man whose health was already compromised by HIV, it was an untenable situation. "I have all my support systems here in Edmonton," he said. "I don't want to be a burden to anyone, I want to work as much as possible. Why not allow me to stay here?"

It is a question Hollingsworth has tirelessly asked the Alberta government. He has staged a public-awareness walk from Lethbridge to Edmonton, he has met with Health Minister Halvar Jonson, who made no commitments, he has picketed the provincial legislature. Then, on Nov. 14, he confronted Premier Klein—politely—at an Edmonton school, a meeting captured by news photographers. "The next morning," recalls Hollingsworth, "I got a fax from his office saying that they were approving the drugs." Klein has said the decision to fund protease inhibitors—at a cost of $3 million a year—after meeting Hollingsworth was a mere coincidence.

To Hollingsworth, of course, the motives don't matter. Able to stay in Edmonton, he hopes to get married soon. And now, as he considers the prospect of Christmas with his family, Hollingsworth again gets choked up. "Of all men," he says, "I am the most blessed. I am."□

Costs and Valuations

Canadians spend an increasing portion of total national income on health care and now rank among the most lavish apart from the United States.



Medicare's reputation slips amid present fears and public doubts over the future of Canada's health program

BY MICHAEL POSNER

'Feeling the pinch'

RICK LOOMER/THE GLOBE AND MAIL

Vancouver health-care workers' rally: little confidence that current reforms will work

The findings are less surprising than they are disturbing: Canadians are downgrading their health-care system, and many are pessimistic about medicare's future, as governments squeeze and downsize the program. In a *Maclean's*/*Medical Post*/Angus Reid poll of 1,502 citizens, only one in seven awards an "excellent" grade to a system once considered among the most appealing features of Canadian life. True enough, a huge majority—more than three out of four poll respondents—rate Canada's medicare better than merely fair or really poor. But the thin 14 per cent of people citing its excellence is down from the 19 per cent who awarded a top rating a year ago, and a slide from five years ago, when 26 per cent did so. "It's almost as if we perceive the sky to be falling," says Angus Reid senior vice-president Andrew Grenville. "And the fear is understandable. We're feeling the pinch."

By the same token, Grenville adds, some of the pessimism may be unfounded. The threat to the system is real, he concedes, but the level of fear may exceed the actual degree of change. "The system has not gone downhill in the way the data suggests," he says. "So while the fear has a foundation, I think some of it may be a little irrational." Indeed, when the small group of poll respondents who say the system is "excellent" are combined with those who rate it "good" or "very good," the tally of people expressing faith in Canadian medicare reaches 77 per cent. And while most expect public health care to get worse, similar majorities express negative feelings about privatizing the system.

Regionally, pro-medicare sentiment is strongest in British Columbia and Ontario, weakest in Manitoba, Saskatchewan and the Atlantic provinces. Men are more likely than women to award better marks to public health care—principally, Grenville suggests, because women are heavier users of the system and see more of its flaws. And the more affluent (annual incomes of $60,000 and up) are also more likely to say the system is still working well than those earning less than $30,000. (Results of the poll, conducted in late October, are considered 95-per-cent accurate for the entire population, plus or minus 2.5 percentage points. Potential margins of error are greater for regions and other subgroups.)

Inevitably, an erosion of confidence in Canadian health care reflects recent waves of staff cutbacks, salary clawbacks and hospital closures effected by financially strapped provincial governments across the country. Only two years ago, less than five per cent of people surveyed cited health care as a major concern—"a most important issue"—according to Angus Reid surveys. By late last summer, the figure had climbed above 20 per cent, falling back slightly in the late-October poll (behind economic and unemployment anxieties and the nagging national unity question). Respondents in the Prairie provinces and Ontario expressed the most anxiety about the state of the system.

Nor do Canadians seem to nurse much hope that current reforms will yield future dividends. Looking 10 years ahead, almost three in five poll respondents (56 per cent) say the quality of health care is likely to decline, only one in five expects that the system will improve. The pessimism is most pronounced in Atlantic Canada (70 per cent foresee decline), least noticeable in Alberta (34 per cent).

Demographically, it is the baby boom generation that seems to view the future shape of medicare with the most skepticism. Sixty-one per cent of the 35 to 54 age group say the quality of the system will worsen over the next decade, compared with 48 per cent of the over 55 age category, and 57 per cent of the group aged 18-34.

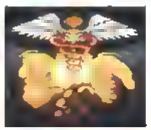
Income and education levels also seem to influence opinion on medicare's future. Among those earning at least $60,000 a year and those with university degrees, three out of five respondents say the system will worsen, almost nine out of 10 that it will do no better than stay the same. Conversely, those earning less than $30,000 and those without a college education are almost twice as likely to think the next 10 years will bring a superior brand of medical care—a curious finding, Grenville observes, because it is precisely that poorer element of Canadian society most likely to be hurt by changes in medicare.

If most people are pessimistic about the changes facing Canadian health care during the next decade, as many indicate that turning the system even partly over to private interests is no answer. A solid 57 per cent of poll respondents reject the notion of developing a two-tier system whereby government medicare would provide basic service and unlimited private care could be bought by "those who could afford it," as the poll question puts it. And the survey shows that the higher the income bracket and the education level obtained by poll respondents, the more likely they are to spurn a hybrid of public and private care in place of universally available public medicare. Three out of five of those with a university education and annual incomes of $60,000 or more disagree with two-tier medicine, respondents with the least schooling and lowest income split almost evenly on the issue.

A companion question—whether privatizing health care could be accomplished without the rich receiving better treatment than the poor—yields a similar schism. Overall, 56 per cent answer no. And that response is more emphatic as the education attained and income received by respondents rise: those in the top bracket disagree with the two-tier proposition by a margin of two to one, those at the bottom split roughly half-and-half on the question. "It's a paradox," Grenville says. "The very people likely to get run over [by privatization] are the optimists."

Practising doctors take a different view on the impact of private medicine. In a separate survey of 500 doctors, a 56-per-cent majority says that privatization could be accomplished without the rich getting better treatment. But doctors receive strong support in the public poll. An overwhelming four out of five respondents in the public survey say that doctors' salaries are fair. (Even among the small minority that rates the salaries unfair, more than one-third say MDs are *underpaid*.) Similarly, two out of three of those polled decry "provincially imposed caps and claw backs on the income of doctors" as unfair. But the public poll respondents draw the line against doctors engaging in job actions. Slightly more than half (53 per cent) oppose limited hours of work by doctors, two out of three (68 per cent) say new patients should not be turned away and three out of four (75 per cent) flatly oppose strike action.

Despite that, when asked, "all things considered, would you encourage your own children to go into medicine," the public poll respondents overwhelmingly (80 per cent) say yes. The doctors, in their poll, are not as certain: only 51 per cent would advise their children to follow in their footsteps. □



Diverging views

"I believe Canada's health-care system should financially support further exploration of herbal and alternative medical therapies, such as those used in Asia and Europe."

Ethics and Medicine

Few questions about social policy in recent years have proved more vexing than those touching on the issue of abortion. Still, in poll after poll, a majority of Canadians clearly endorse a woman's right to free choice. But a question posed in the *Maclean's*/*Medical Post*/Angus Reid survey asked whether "the courts should be able to order drug-addicted women who are pregnant to undergo detoxification to ensure that their child is not born damaged by the drugs they take."

The question stemmed from the case of a Manitoba woman who, earlier this year, was ordered to receive detox treatment for precisely that reason; she subsequently entered a detox centre of her own volition. The poll shows little doubt on the issue: 85 per cent of respondents agree that the authorities should be able to intervene on behalf of the fetus in such cases.

On a question whether "patients with conditions resulting, in whole or in part, from the following lifestyle habits should be required to help pay for their own treatment," the tally of Yes responses:

CANADIANS AND HEALTH.

HEALTH CARE REFORM:

A VITAL ISSUE FOR ALL CANADIANS.

As one of Canada's largest supplementary health benefits companies, Liberty Health is keenly aware of the important national discussion under way on health care reform and its implications.

That's why we are in this timely issue of Maclean's which examines many of those pressing issues

We serve about 1.5 million Canadians in all walks of life, offering them a wide range of supplementary coverage, including vision, dental care, prescription drugs, hospital accommodation, home care, disability insurance, and health protection when they travel outside Canada.

Liberty Health believes strongly in the sanctity of Canadian medicare. Over the last 18 months, we have clearly and publicly stated our position.

- The five guiding principles of the Canada Health Act (1984) — that core medical services be universal, portable, accessible, comprehensive, and publicly administered — must be preserved.
- The single-pay system — through which those core services are delivered by way of medicare — must continue.
- Privatization of physician services, resulting in the creation of a "two-tier" Canadian health care system, is not in the public interest

To ensure that health care reform results from an objective and meaningful discussion, Liberty Health urges everyone affected — business, labour and individual Canadians — to join us in working together to support and preserve the traditions of Canadian health care.

Liberty Health will continue to participate in this important national discussion to help broaden the spectrum of information available to Canadians so they can make sound decisions and choices about the kind of health care they want and need.

Liberty Health believes greater focus and emphasis should be placed on a wide range of health care issues — inside and outside the span of medicare — that touch all of us, every day, both at home and work. Some examples of this are

- The high social, physical, emotional and financial costs that workplace injury places on workers and employers;
- The importance of women's health issues; behavioural health; prescription drug use; and the prevention of injury and disease through improved health education and promotion;
- The need for a range of supplementary health-care products and services that are timely, relevant, flexible, and responsive to the changing needs of individual Canadians.

In this context, as a result of a series of customer and community forums, Liberty Health has announced a Working Group on Women and Health, involving a partnership with our customers, health-care providers and others in the field.

Whether it's through improved products or services for our customers, or contribution to issues of significant public importance, Liberty Health believes we all benefit from an open, honest and informed debate on the future of health care in Canada.

BILL WILKERSON
President, Liberty Health

Liberty Health exists to serve the well-being of our customers. In that spirit, we are introducing the new Liberty Health Identity Card — a durable expression of our commitment to continuous improvement of customer service.

This convenient plastic card will in time be issued to all Liberty Health customers.

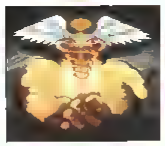
LIBERTY HEALTH™

BY SHARON DOYLE DRIEDGER

Margaret Carlson with her husband, Bert, in their Airdrie, Alta., home since he suffered a stroke 16 years ago, Bert needs full-time care

Critical Care

'We are sending people home sicker and quicker'



Eleanor McDonald was worried about her neighbor down the hall. "She was obviously very sick," says McDonald, recalling her visit with Sophie, a frail 82-year-old widow, in her Toronto apartment, one February afternoon in 1994. McDonald called a doctor who diagnosed Sophie's severe back pain as an advanced case of shingles. He then asked her to fill a prescription for her ailing neighbor. "He assumed I would take care of her," says McDonald, 74, who convinced the physician that Sophie should be admitted to a hospital. But after a week she says, "They brought her home, still in her blue hospital gown, and dumped her on the couch." Outraged that no home care had been provided for Sophie—who was "so weak she couldn't hold a glass of water"—McDonald contacted a nephew in nearby Brampton. He managed to have his aunt readmitted to the hospital, but the next day Sophie died. "She should never have been let out of the hospital," says an angry McDonald, "certainly not without help."

Sophie's story is, mercifully, rare. "Overall, home-care programs work," says Lorna Hillman, executive director of the Family Caregivers Network Society in Victoria. "But due to shortfalls in funding, some people fall through the cracks." The trouble is, the cracks are widening. An aging population and shrinking hospital budgets are placing unprecedented pressures on provincial home-care systems. And although funding has increased substantially over the past decade, according to the Canadian Home Care Association, it is still only two to four per cent of provincial health budgets.

When the provinces began to set up the programs in the 1970s, home care was touted as a cure for an ailing health-care system. The frail elderly, the disabled and the chronically ill—with the help of their families and the support of visiting nurses, physiotherapists and other professionals, provided by ministries of health—would be able to remain in the comfort of their own homes. At the same time, home care would save governments money by reducing the need for costly hospital beds and nursing homes. "All of the provinces said, 'Look, we'll close hospital beds and we'll pass that money on to home care,'" says Evelyn Shapiro, a professor of community services at the University of Manitoba in Winnipeg who helped set up Canada's first home-care program in 1974. "But that hasn't always happened."

Deficit-fighting provinces have cut hospital budgets but, critics argue, they have shifted few of those savings into home care. In Alberta, waiting lists for home care have soared since the government cut $100 million from hospital budgets in 1994. "After the cuts, hospitals started bumping patients out into the community," says the province's Liberal health critic Howard Sapers. "Home care wasn't ready to manage this new influx of patients." Ontario is experiencing the effects of a similar squeeze. "We're seeing the rapid downsizing of hospitals, so we're sending people home sicker and quicker," says Jane Cornelius, president of the Ontario Nurses' Association and a staff nurse at Hotel Dieu in St. Catharines. "There's more reliance on families and care in the home."

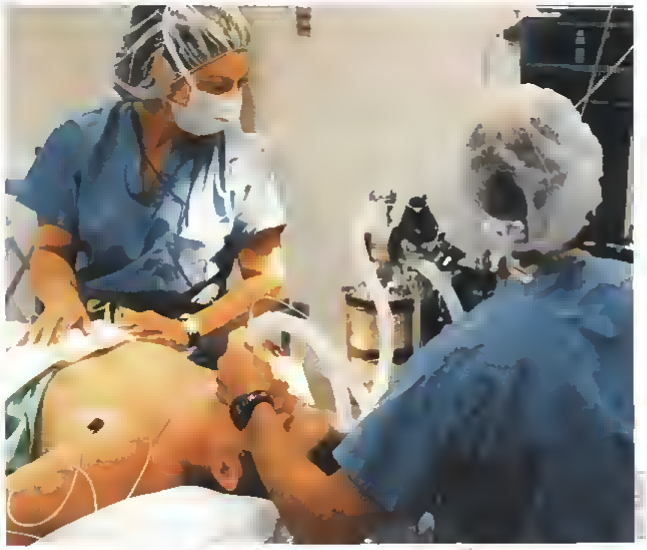
Home care is also becoming more complex. Hospitals sometimes send home patients who require intravenous, life-support systems and even dialysis machines. "Families are being asked to do more sophisticated medical care," says Victoria's Hillman, who has set up a pilot project to show family members how to perform such tasks as handling a catheter, giving injections and dealing with bed sores. "People are being discharged from the hospital with shopping lists," complains Wendy Armstrong, past president of the Alberta branch of the Consumers' Association of Canada. In some regions, she notes, patients are expected to pay for surgical dressings, catheter and even painkillers—items that are provided free to hospital patients.

Despite the current strains on the system, most doctors and patients agree that home care is good medicine. "The average patient—with reasonable support—does very well at home," says Scott Rowand, head of Hamilton Health Sciences Corp., predicting that home care will become a "key element" in Canada's health-care system. The major problem now, he says, is that home care is underfunded. But Shapiro contends that politicians may continue to scrimp on home care because "it deals with people who are largely invisible—a situation that the Toronto's Older Women's Network—and advocacy groups across Canada—are trying to change. Shortly after Sophie's death, McDonald and other members of the network organized a task force to push for the home care that they believe might have extended her life. "Health officials are all sympathetic," says committee head Ethel Meade. Still, she adds angrily, "Things are only getting worse." □

The privates' progress

The role of business in health care is growing

BY TOM FENNELL



Vancouver operating room: companies say they can save the medical system money

Toronto writer Eileen Murphy was driving between business appointments in the city last June when a speeding car slammed into her green sports car. Rushed to a nearby hospital, she was diagnosed with a severely strained neck and back. But that was virtually the only time Murphy would see a doctor paid for by medicare. Treatment of her injuries, which continued last week, took place at a private Toronto rehabilitation clinic and her insurance company picked up the tab. For Canadian Medical Association president Judith Kazimirski, Murphy's case underscores a growing problem. As lineups for treatment grow in the cash-strapped medicare system, more companies are opting to care for their clients in independent facilities. And Kazimirski says that trend is just another example of how the private sector is expanding its role in the health-care system with little public debate. "We are allowing passive private medicine to move in," argues Kazimirski, "in an unregulated and unplanned way."

The privatization of Canada's health-care system is gaining momentum. Since 1975, the portion of care purchased from private business has climbed above 28 per cent from under 24 per cent. Bill Wilkerson, president of Toronto-based Liberty Health, a branch of the Liberty Mutual Group of Companies of Boston, expects the private share of health care spending to surge rapidly to almost half the total as governments pare down the medical procedures covered by medicare and hospitals outsource many of their services.

Some of the nation's largest corporations say they could save the system money by performing specific tasks more efficiently than the public sector. For one, a subsidiary of the Royal Bank of Canada, Smart Health, wants to wire the medical system to give doctors instant computer access to patient and medical information. Liberty Health wants to manage private health care—from drugs to dental care. RxCanada, a consortium of Canadian retailers, including Shoppers Drug Mart and Loblaws Supermarkets Ltd., is determined to become the major supplier of pharmaceutical care offered through public and private health plans across Canada. And as hospitals are closed under cutbacks, corporations want to turn some of them into clinics for foreign patients. "Where there are possibilities of generating revenue is where the private sector will move," says Pamela Divinsky, a health-care specialist at the Toronto management consulting firm KPMG. "And that is what is happening to the Canadian health-care landscape."

In the future, Wilkerson believes the medical system will be split, with doctors on one side and just about everything else on the other. Under that public/private model, a patient would see a doctor, who is paid by medicare. But everyone else, from the X-ray technician to the physiotherapist, would work for independent companies with the treatment largely covered by private insurance. Wilkerson says he hopes Liberty will emerge as a major power under this system, co-ordinating nearly every aspect of the private health-care system that a patient encounters. Adds Wilkerson: "We can see an expansion of the private sector's role through the expansion and diversification of services."

Under Liberty's "managed" health-care plan, hospitals would become health-care centres. A physician would diagnose a patient. But the doctor would be just one member of a team in which the patient's overall care would be the responsibility of a health-care co-ordinator who will oversee follow-up treatment. Wilkerson says that where that procedure has been employed in some hospitals, injured workers have been able to return to work far quicker. "If you took the fence away between the physician and private services we could begin to integrate the health-care system," says Wilkerson. "The hospital of the future will provide services that are delivered by private health-care providers and right across the hall it will deliver the

services of physicians."

Privatization has already taken root in many hospitals across the country. And the model for the future, say many analysts, is already fully deployed at The Toronto Hospital—Canada's largest, with 1,200 beds, 6,000 full-time employees and an annual budget of almost $470 million. To help cut costs, it asked the private sector to take over many of its functions, and, since 1993, it has been able to shave almost 25 per cent off its operating budget. The Bitove Corp., a Toronto-based food supply company, was brought in to implement what the industry terms a "kitchenless" food service under which patients receive food prepared in facilities outside the hospital. MDS Health Group Ltd., a nationwide operator of private medical labs, entered in to a joint venture to operate their laboratories and Johnson Controls Ltd. assumed the day-to-day maintenance, from the laundry service to security. Bitove executive vice-president Ron Thompson said he expects growth in the hospital food sector to accelerate as more institutions turn to outsourcing. "It's pure efficiency," says Thompson. "We can save the hospital in the range of 25 per cent of the operating budget on food."

Kazimirski: 'we are allowing private medicine to move in'

As hospital beds are closed (across Canada, the number of beds has fallen by more than 6,000 to 155,676 since 1993), administrators also want to generate revenue by renting some of them out to private companies. One that could lease Canadian-staffed wards or hospitals to serve foreign clients is Hospitals of Australia Corp., a division of the multinational Mayne Nickless Ltd. The company, which has opened a Toronto-based division, has expressed interest in taking over facilities in the Banff area of Alberta. Dwight Nelson, chief executive officer of the Headwaters Health Authority, which includes Banff, discussed the idea during a recent visit to Australia. Other investors are going further. In January, a group of private investors opened a luxury clinic called King's Health Centre in downtown Toronto and they hope to attract a largely American clientele by offering surgery and other treatments at costs below those in the United States. (Canadians would be allowed to buy reproductive therapy and physiotherapy sessions and other treatments not covered by medicare.) In Alberta, an Edmonton-based company named Hotel de Health is considering renting out hospital space in the Red Deer area to establish private hospital care. Clay Adams, communications director for Alberta's East Central Health Authority, says that many health-care administrators believe they may be allowed to generate badly needed revenues by leasing out the closed hospitals. "To have a health-care centre sitting empty is unproductive," argues Adams. "If we can find an alternative use we should."

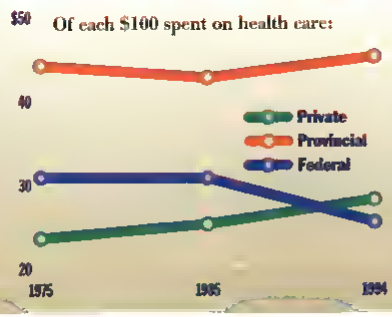
The relentless advance of technology is also bringing the public and private sectors closer together. For one, RxCanada wants to use a national computer network to link pharmacies across the country. Drugs are now the fastest-growing component of health-care costs in Canada. Donald Cameron, chairman of Lawtons Drug Stores Ltd. in Halifax and a founding member of RxCanada, says the national network could reduce drug costs. "There is a list of components that can be saved," says Cameron, "from administration fees to generic drugs."

As the privatization of health care proceeds and opinion pollsters report overwhelming support for public medicare, Canadians seem largely unaware of the growing role of the private sector. CMA president Kazimirski blames Ottawa, which slashed the amount of money it transfers to the provinces for medicare. In turn, Kazimirski says, provincial politicians have turned a blind eye to the rapid privatization of the health-care system in the hope that corporations will fill the gap. To bring the privatization issue into the public spotlight, Kazimirski wants a public debate that would establish clear national guidelines on what should be in the publicly funded system and what should not. If such national guidelines are not forthcoming, she says, medicare will continue to erode. "All the players have to come together," insists Kazimirski. "We have to decide what it is that the system is to provide."

Critics warn, however, that even a partially privatized regime may ultimately cost Canadians more than the current system. They point out that most U.S. citizens are covered by private insurance and that it is by far the most expensive system in the world. Hugh Armstrong, a professor of social work at Ottawa's Carleton University, and author of *Wasting Away: The Undermining of Canadian Health Care*, says that if an American-style system emerges in Canada, medical costs are bound to rise. He argues that, although there could be savings initially, once the private sector is entrenched, costs will rise as firms increase their prices. "These companies are trying to pry open the oyster that is medicare," said Armstrong. "There are new opportunities for profit if they can open it." So far, the oyster is opening with little opposition. □

Private medicine's growing role

As Ottawa cuts its funding of national medicare and the provinces curb their spending, the purchase of services from private business is the fastest growing segment of health-care financing.



"Advocates of increased private funding argue that the only way to 'preserve' quality care is by priming the system with private dollars. We disagree. The best way is through public funding and a restructuring of the system."

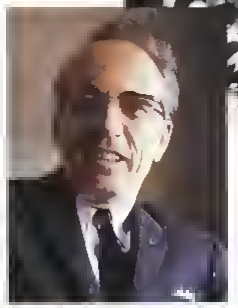
–National Forum on Health, Ottawa, Oct. 21, 1996

Medicare's birthplace

Saskatchewan reforms collide with tradition

BY DALE EISLER

Three names stand out as activists at the birth of universal public health care in Canada three decades ago—all of them citizens of Saskatchewan, Canadian medicare's native province. T C (Tommy) Douglas, as provincial premier, led the country with hospital insurance in 1947 and launched the process that produced Saskatchewan's pioneering medicare program in 1962. Emmett Hall, the Supreme Court of Canada justice who chaired a federal royal commission on health care, pointed the way to a national medicare program based on his 1964 recommendation "to make the fruits of all the health sciences available to all our residents without hindrance of any kind." Efstathios (Staff) Barootes, Regina urological surgeon, stood out as a leader in a 1962 doctors' strike against what he denounced then as "state medicine." Of that pathfinding trio, only Barootes survives. But now, as Saskatchewan and most of the rest of the country are amending medicare, often in menacing ways, Barootes stands firmly in defence of the system he once fought so fiercely. "I have changed my mind," he willingly admits. What's more, he predicts, "medicare is here to stay."



The Barootes prognosis matches political assurances on the security of medicare in his province and across the country. But that is often not the way it looks at the level of the local community—or from a hospital bed—as "restructuring" splinters the system into regional units, a nationwide funding squeeze forces a shrinkage in services, and user-pay interests acquire an expanding role in the delivery of health care. Across the Prairies and in British Columbia, downsizing has provoked controversy on a large scale and fostered fears for the future of medicare.

SASKATCHEWAN ARCHIVES BOARD

An anti-medicare protest in 1962, Douglas (left) planting the seeds of national health insurance

Downsizing has been a particularly bitter pill to take in the cradle of Canadian medicare, even though the prevailing attitude in Saskatchewan favored reforms. The province's sweeping reorganization program, including the conversion of 52 largely rural hospitals into primary-care clinics, was launched three years ago by the NDP government of Premier Roy Romanow, the political descendant of Tommy Douglas. The program left communities feeling abandoned by their government, according to Rod MacDonald, a lawyer in Radville (population 848), a farming community 115 km south of Regina whose hospital was downgraded to a clinic. Says MacDonald, who was a driving force in organizing a coalition that pressured the government into providing health clinics in towns where hospitals were closed: "What's happened is the government has left people adrift on the issue of health services and how they are provided." Harsher critics accuse Romanow of destroying medicare. When the government in August announced an infusion of extra funding into the new health-care regions it had created, opposition MLA Glen McPherson, the Liberal party's health critic, declared: "The patient has had the last rites and now they're finally going to give him a transfusion."

Romanow bristles at allegations that his policies are a betrayal of the Douglas legacy. On the contrary, he insists, he is following in the Douglas tradition. "Absolutely, no doubt about it," Romanow says. "Douglas always said the first phase of medicare was to eliminate dollars as an impediment to health care and the second phase was to change the delivery system and how we view health care. That's exactly what we're doing." The avowed purpose of his government's program—to design a system that puts more emphasis on individuals than institutions—clearly has wide support. But the problem for Romanow is that many see reform more as an effort by a debt-ridden government to save money.

That opinion is echoed in the medical community itself. "We're of the perception that so far reform has been primarily directed to cut the cost of services," says Allan Miller, president of the Saskatchewan Medical Association, which represents 1,400 doctors. "They keep claiming it's as much to improve the delivery of service, but we're not so sure. Anyone who lives in a community where the hospital was closed knows that access has not improved. It's time the government showed its plan to improve the system." The same concerns are expressed by nurses. The 6,900-member Saskatchewan Union of Nurses is running a publicity campaign that has distributed 147,000 leaflets to doorsteps across the province and includes billboards that read: "Is health care in crisis? Ask a registered nurse." Union president Judy Junor says nurses are "extremely frustrated" because they have had little input into reform. Says Junor: "It makes no sense. They should be asking us. We're right there on the front lines and know what's being wasted and abused."

The deterioration of health care in rural Saskatchewan is a major concern for overworked doctors in smaller communities. A recent survey of Saskatchewan's 215 rural doctors by the medical association found the province could lose 60 per cent of its rural doctors if their workload is not eased. One contemplating his future is Martin Vogel, who practises in the southwest Saskatchewan town of Shaunavon. "It tells you something about the hours you're keeping when your four-year-old clings to your leg as you walk in the patient's own home or in community clinics.

With support for public health care the acid test applied to all Saskatchewan politicians in Canadian medicare's birthplace, the system had grown over the years more as a result of political necessity than medical need. Before 1993, Saskatchewan had 4.63 acute-care hospital beds per 1,000 population, the highest ratio in Canada. And only Ontario, with 223 hospitals and more than 10 times the population, had more hospitals than the 129 in Saskatchewan. Following the conversion of rural hospitals to health centres, Saskatchewan now has 3.34 acute-care beds per 1,000, placing it in the midrange of provinces. The province's annual health-care budget, at $1.56 billion, is down by more than $33 million from five years ago. The government calculates it would be nearing the $2-billion mark had the brakes not been put on spending three years ago.

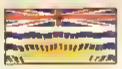
SASKATCHEWAN

The most visible and controversial dimension to Saskatchewan's medicare restructuring has been the closure of 52 small rural hospitals and their conversion into primary-care health centres. Under a program commenced in 1993 the NDP government also decentralized the system, turning day-to-day administration of health care over to 30 district boards. The government determines the budget for each district and then the board members, two-thirds of them elected and one-third appointed by the government, largely decide where and how to spend the money.

Coupled with the new administration is an attempt to change the health culture of the province. The government is espousing a "wellness" model, which aims to divert emphasis from hospital-based treatment and care towards programs that stress staying healthy and concentrate treatment, as much as possible,

BRITISH COLUMBIA

A promise by Premier Glen Clark to protect health care in the face of a budget deficit and shrinking federal transfer payments is proving difficult. Health Minister Joy MacPhail is trying to trim costs to stay within the $6.9-billion provincial health-care budget. As the belt tightens, the government is intent on reducing the list of procedures covered under medicare. A recent decision abolished payments for the removal of benign skin lesions and warts. In 1997, drugs to treat high blood pressure will be added to the growing list of pharmaceutical categories in which only the cheapest medications are covered under the provincial drug plan.



Even after implementing a three per-cent rollback in doctors' fees last fall, a serious overrun is predicted. A cap on total annual doctors' billings has been breached. Rather than face another earnings cut, doctors are planning to close their offices for five days during the next six months, a move that intensified friction between the health ministry and physicians.

In the hospitals, where efforts are under way to contain costs, operating rooms and laboratories will be shut down, and beds will be left empty on given days over the next year to meet fiscal targets. Waiting lists for cancer-treatment clinics, although improving, are forcing the province to send six patients a week to neighboring Washington state for treatment—at a cost of roughly $1.5 million a year.

Meanwhile, a program to establish regional health authorities is faltering. Health Minister MacPhail has suspended the three-year-old program to assess concerns that regionalization may be increasing costs. While refinements to the project are being discussed, MacPhail concedes: "There is a lot more really tough work to be done."

out the door and bursts into tears because he never sees you," Vogel says. In Radville, where lawyer MacDonald helped organize his small-town coalition, the community depends on a doctor's clinic and three observation beds that replaced its 20-bed hospital. Sheila Jubenville, administrator of a 51-bed nursing home and health clinic in Radville, says reform has meant a cut in her annual budget to $1.7 million from $2.9 million. "The staff is always stretched and we always feel on the edge," she says. "We have a lab tech who's hired for 20 hours a week and she often works 50 and never puts in overtime." With district health boards deciding on the allocation of resources, says MacDonald, "you get decisions based on what town's hockey team you like."

Barootes: 'medicare is here to stay'

Not everyone is convinced that the closure of small, under-utilized and expensive rural hospitals was a bad idea, or that a better and more efficient system won't result from the changes. Chris Galanos, a South African physician who moved to Saskatchewan two years ago and practises at the Radville Health Centre, insists that people in the community still have access to good care in Regina. "The fact is," he says, "this town didn't need a big hospital"—but it should have retained a small one.

Parallel to the hospital downsizing uproar, the government's creation of 30 district boards to oversee what is left generates complaints that the Saskatchewan reform program is spawning a new tier of health-care bureaucracy. For Staff Barootes, despite his conversion to medicare, that is a criticism he wholeheartedly echoes—especially after recently experiencing it first-hand. In hospital-issue garb and dressing gown, the retired urologist and former Tory senator, now 78 and suffering from a chronic heart ailment, held court on the subject during an early-November spell as a patient in a Regina hospital. "It's unbelievable the amount of money being wasted on administration and support staff," railed Barootes. "It's got to the point that patients have become something of a nuisance."

As he spoke, Saskatchewan's health system had just received an active non-confidence vote, at least obliquely, from his doctor son, Brian Barootes. The junior Barootes, 42, left his family and sports medicine practice in Regina to join the Trover Clinic in Madisonville, Ky. ("My goal is to do sports medicine full time," he explained before leaving, "and you just can't do it here.") Staff Barootes retains his conviction that medicare will remain a fixture in Canada's future. "Not only are 99 per cent of the people delighted with it," he asserts, "but if we reverted back to a system where patients were billed, 85 per cent of the doctors would also rebel." Allowing that the scale of the commitment is as vast as Barootes says, a question remains whether the medicare bred and born in Saskatchewan will survive the present measures to mend it. □

ALBERTA

The dramatic speed and depth of the cuts in Alberta's health-care budget provoked unrest in the province and aroused attention across the country. After three years of a deficit-fighting campaign that slashed health spending by some $515 million—12 cents on the dollar—Premier Ralph Klein's Conservative government bowed partway to public criticism and restored more than $50 million to the health budget that totals $3.67 billion in the current fiscal year. And this week, Klein is expected to announce the details of more than $300 million in reinvestment in health over the next two years. The government's additional funding and its promise of more to come followed opinion polls showing that, while Klein's Tories remained widely popular, health care is the top concern cited by Albertans.

Government-appointed regional health authorities have applied most of the funding cuts locally, including the closure of five hospitals across the province. And some RHAs have taken steps to centralize such services as laboratories and food production. As part of a plan aimed at curbing the annual doctors' bill to a total about 18 per cent below the tally four years ago, the government imposed a five-per-cent across-the-board reduction in physician fee schedules. One of the most contentious issues facing the provincial government, however, has been resolved. Alberta agreed earlier this year to a federal government demand that it stop allowing semi-private medical clinics—offering such services as cataract surgery—to bill medicare for physicians' fees while also charging a so-called facility fee directly to their patients.

MANITOBA

Compared with its Prairie neighbors, Manitoba's health-care reforms have been modest. But the Conservative government of Premier Gary Filmon aims to stabilize the province's health spending—about $1.8 billion is earmarked for the current financial year—which has been growing steadily and accounts for one third of the province's total annual budget. Hospital beds have been closed and more closures are planned. Major hospitals have been spared, although plans are afoot to demote one of Winnipeg's seven, Misericordia General, to service as a community-care centre.

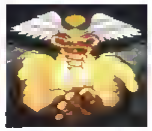
Other measures involve decentralizing the administration of programs throughout the province while centralizing city hospital services and systems.

Like most other provinces, Manitoba is establishing regional health authorities. Beginning next April, they will be empowered to allocate money, resources and services within their regions. Meanwhile, an agency named the Urban Shared Services Corp. has been assigned to eliminate duplication in hospital support operations. In Winnipeg, it is designing systems to consolidate food and laundry services, purchasing operations, and the handling of biomedical waste. There are plans to combine laboratory services except for those required for rapid-response purposes. A similar centralizing system is working out ways to manage and co-ordinate such procedures as obstetrics and surgery provided at several different locations. Health Minister James McCrae predicts that, in the reorganization, managers and care-delivery teams "will find efficiencies and improvements simply by looking at things differently."

Frustration in Ottawa

Ontario cutbacks and Quebec's unpaid bills put pressure on the nation's capital

BY JOHN DeMONT



Frederick Bender is not happy—and it really has nothing to do with lying in bed in Room 7218 in Ottawa General Hospital with a clear plastic tube running out of his nose. True, the white-haired 76-year-old has seen better days: he is recovering from an operation to repair his urethra, damaged last summer during the removal of a kidney stone, the acute tendinitis in his left arm makes even simple tasks herculean labors. "I'm one tender Bender," jokes the former handyman, entertainer and singer. And a disillusioned one too. He had hoped to stay in hospital until fully recovered. Instead, he is bound for his retirement home, which is designed only for residents who can take care of themselves. "What it comes down to," he says of the hospital system, "is that there are too many people out there who don't care."

It is frustration talking. But at Ottawa General, like any hospital in the country's capital region, these are frustrating-worrisome times. Huge funding cuts have already forced the layoff of 200 of 3,100 employees and the closure of 56 of 458 hospital beds. But the story is the same everywhere in the area: doctors and nurses burning out under the workloads, patients facing long waiting lists for procedures as fundamental as a hip replacement or heart surgery. When they finally get a bed they learn that bedside manner is a thing of past—doctors and nurses have less time for individual attention and patients are pushed out the door faster than before. Intensifying the pressure are a stream of patients from bordering Quebec taking spots in top-quality Ottawa institutions, including first-rate maternity and cardiac hospitals. Adding to the financial crunch on the Ontario side of the Ottawa River is the Quebec government's refusal to abide by the interprovincial portability provisions of national medicare and pay the full cost of treating its citizens in other provinces.

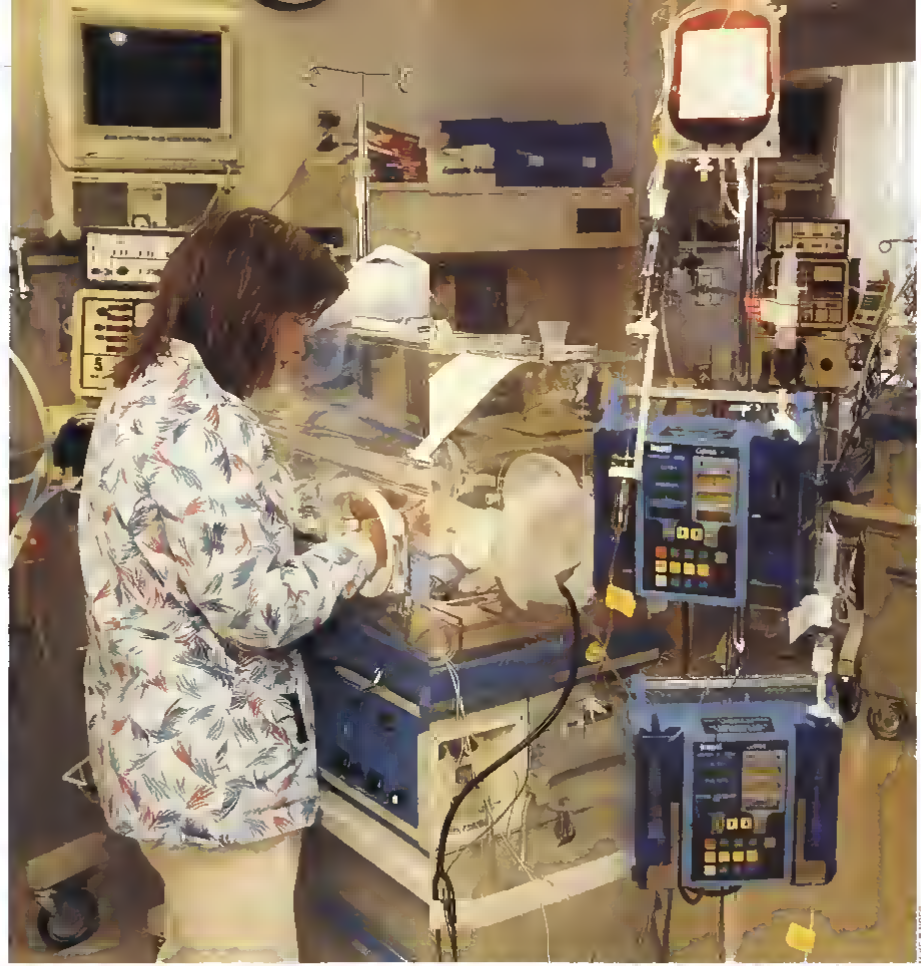
Now, the national capital is bracing for things to get worse. In the new year, the Ontario government's health services restructuring commission will announce which services, departments—or, more likely, entire hospitals—will be merged or disappear altogether. Ontario Health Minister Jim Wilson talks about efficiency and doing more with less, so "this is no longer the kind-gentle health-care system it once was," says Tim Hutchinson, head of Ottawa General's social work department. "All of the flex has gone out of the system."

Ottawa General, even in frigid November, is a frenetic place. On a day *Maclean's* visited, the hospital admitted 66 patients, and saw 144 cases in the emergency ward, among them a person suffering from serious burns and an overdose victim. A near-capacity 24 babies filled the neonatal intensive care unit. A total of 66 patients were hooked up to kidney dialysis machines, 19 visited the immunodeficiency clinic, 23 received magnetic resonance imaging examinations and four people underwent hyperbaric oxygen therapy, commonly used for treating burns and smoke inhalation. All told, the General's surgeons operated on 29 patients, including three who received laser surgery. And by midnight, when the next day's shift began, three patients had died.

A typical day for the hospital. But not for Karen MacPhail in Room 6500, who was recovering from the removal of a benign tumor from her pancreas and spleen. The 49-year-old secretary and mother of two has read the newspaper stories about the general decline in health-care service in the area and heard the complaints throughout her own ward about a shortage of bedpans for male patients and other niggling problems. "I know the staff is strapped and overworked," she says, "but everyone has been fabulous."

Down in the dialysis department, Phil Murphy, whose kidney transplant failed two years ago and who undergoes 15 hours of treatment weekly, also gives the staff full marks for papering over the cracks. "Let's face it, dialysis is available 24 hours a day six days a week," says the 31-year-old legislative assistant to Reform party House leader Ray Speaker. "I even get a hot meal during every five-hour treatment. We're still well looked after."

He might sound different if he had a child with a chronic ear infection who had to wait 11 months for an appointment to have a myringotomy (an alleviating surgical procedure in which a tube is



M KEPINSKI

Ottawa General's neonatal intensive care unit: 'the flex is gone'

ONTARIO

Squeezed by rising health-care costs and a shrinking share of funding from Ottawa (down to 32 cents of every medicare dollar from 52 cents in 1980), Ontario governments during the last five years economized by closing roughly one in four of the province's acute-care hospital beds, trimming services and, under a so-called claw-back program, reducing doctors' fees across the board.

Sterner medicine followed the election of Premier Mike Harris's Conservatives in June, 1995. The premier promised to spare the overall annual outlay for health care (currently $17.56 billion, one-third of the total budget). But espousing a shift of emphasis from hospitals to community and home care, the Harris government ordered hospitals to cut their budgets by 18 per cent over three years and, at the same time, empowered a restructuring commission to shut down or merge hospitals throughout the province. The Health Services Restructuring Commission plans a further 20-per-cent cut in acute-care hospital beds. As for the province's 23,000 doctors, the government raised the claw-back on fees to 10 per cent and then imposed penalties on annual incomes rated excessive. For the general practitioner, billings in excess of $251,000 are reduced in a range from one-third to three-quarters as they mount. The government further antagonized doctors with a proposal that would effectively bar newly graduated doctors from practising in Ontario's biggest cities.

So far, the program has cost hundreds of nursing and other hospital jobs, provoked complaints and confusion in several communities and prompted increasing numbers of doctors to ration their services. Insists Harris: "Systems are being streamlined."

QUEBEC

Hospital care and jobs are bearing the brunt of a three-year freeze imposed in 1995 on Quebec's annual $12.8-billion health-care budget—rated the equivalent of a total cut of $1.4 billion when built-in cost inflation is factored in. A year ago, Health Minister Jean Rochon initiated a program to reduce the length of hospital stays and increase day surgery and home care. To save an estimated $900 million, seven of the province's 121 hospitals and 4,000 of its 23,000 hospital beds are to be closed. A dozen more hospitals are being merged or transformed into long-term geriatric-care centres. Most of their speciality and emergency services, including staff and equipment, will be transferred to and concentrated in other facilities. The program includes culling some 13,300 of the province's 170,000 health-care jobs. Remaining hospitals are under directions to increase the use of day surgery to 85 per cent of all operations by the end of 1998, a threefold increase over the 1994 rate. By doing so, Rochon aims by 1998 to halve waiting lists for such routine operations as hernias and cataracts, which now fluctuate between 20,000 and 35,000 names. Some savings are being invested in Quebec's network of 161 Centres locales de services communitaires, which combine neighborhood social and medical services, to develop cornerstones for home care and the front line for prevention and primary care.

The program is generating unrest among health-care employees and Quebec's 15,000 doctors, as well as anglophone suspicions that cutbacks are hitting their hospitals disproportionately. "We're witnessing some very drastic changes," said Jean Rodrigue, a spokesman for the Quebec Federation of General Practitioners. "Things have moved very, very quickly. There's been lots of turbulence."

MIKE PINDER

COVER

Hutchinson. cuts to services create long waiting lists and low morale

inserted through the tympanic membrane). Or if he had to wait seven months—the norm in Ottawa at the moment—for a hip replacement, six months for non-urgent cardiac surgery, four weeks for an appointment with a hospital psychiatrist or two months to see a neurologist. Or if he was an older person like Bender, being pushed out earlier than he wanted in the relentless drive to reduce costs by keeping down the length of hospital stays. "I know there are fewer doctors and nurses doing the work. But there are fewer hospital beds too," he says. "Blaming that for everything is just a cop-out."

Nevertheless the front lines in any Ottawa hospital can be a nasty place to serve during these cost-conscious times. From Nov. 8, Ontario doctors began refusing to see new patients to protest what they describe as provincial underfunding of the system. But under normal circumstances, Byron Lemmex, a family practitioner at Ottawa's Grace Hospital says the shortage of resources has turned doctors into "brokers" who work the phones searching for specialists willing and able to see new patients. "It is so discouraging," he says. "The morale of physicians is extremely low."

In part, that is due to the doctors' never-ending squabble with the government over fees. For nurses, their salaries frozen for three years, the worry is about holding onto a job—and simply getting through that next demanding shift. "The emphasis on shorter stays means virtually everyone who ends up in the wards is now sick, instead of a mix of patients like it used to be," says Wendy Fortier, the General's director of nursing for critical and ambulatory care. With fewer nurses to go round—and some being replaced by lesser-trained registered practical nurses—some of her staff are overworked, burned out and "stressed to the max." The amount of sick time claimed by nurses related to stress is up. So far, the increased workload has caused no disasters, or even a marked rise in nursing errors. But it could be only a matter of time.

The hospital's intensive care unit has lost four out of 100 nurses since 1995. "Of course the patient is getting less care," explains Manon Bouchard, 27, who is on temporary duty because a nurse with more seniority lost her job somewhere else and bumped Bouchard out of the permanent rotation. Up in the social work department, which lost five of 24 staffers in April, Tim Hutchinson, the harried department head, says patients feel the impact of the cutbacks in more subtle ways: the cancer patient whose devastated family no longer receives counselling on how to cope with the stunning news, the stroke victim who is sent back to the regular wards if the response to rehabilitation therapy is not rapid enough.

The only issue seems to be: how much worse will it get? An impressive public relations campaign last year probably saved the Grace maternity hospital from falling under the health services restructuring commission's axe. Ottawa General, with its annual budget of $170 million, probably has no such guarantee. Its president, Jacques Labelle, says the entire Ottawa network of hospitals could save some $100 million a year—the commission's goal for cutting costs in the area—by closing some buildings and merging the area's two teaching hospitals, Ottawa General and Ottawa Civic. But that will not necessarily stop Ontario's Mike Harris government from more radical surgery. For Ottawa General and the others, it just may be a question of how to spread the pain.

THE TERRITORIES

When it comes to delivering health services in the Northwest Territories, the sheer size of the region is a major obstacle. The population, a mere 55,000, is spread out in tiny communities over roughly a third of Canada's landmass. Accordingly, a significant share of the territory's current $188-million annual health budget is spent on transportation. And with federal funding down by five per cent in the current year, the territorial government is looking at ways to cut costs. Plans include paring down follow-up visits by patients to doctors in the territorial capital of Yellowknife or in Southern Canada. Instead, community health-care providers are consulting by phone with physicians in the larger centres. There are also plans to use so-called tele-medicine—conducting radiological exams and other basic diagnostic services via telephone and computer visual link between remote nursing stations and southern hospitals.

Delivering health care in a cost-effective manner is about to get even trickier. In 1999, the territory will be divided into the Inuit-dominated territory of Nunavut in the east and an as-yet-unnamed territory in the west. At least two things are certain, says David Ramsden, the territory's deputy health minister: Ottawa is in no position to provide much more money, and "you simply can't do government in two territories for the price of one."

By comparison, health authorities in the Yukon face less daunting challenges. About 23,000 of the territory's 31,000 population are concentrated in Whitehorse, the capital, and roads connect remaining communities except the Far North native village of Old Crow. With revenue from healthy mining and tourism sectors, Yukon health budgets have recently grown marginally—to about $1,790 per head of population from a national average of roughly $1,740 per capita in public funding. And despite its remoteness, the Yukon has no trouble attracting capable physicians. Luckily, says Malcolm Maxwell, the territory's assistant deputy health minister, "they are often people who like to kayak and fish."

Disillusion Down East

Provincial government cutbacks generate an angry and vocal protest

BY RAE CORELLI

For generations, the communities of Perth and Andover have faced each other at opposite ends of a bridge across the Saint John River in west-central New Brunswick. Then, in 1966, for reasons of economy, efficiency or common sense, they were united by a hyphen. Now, 30 years later, shared anxiety over lost hospital jobs and diminished health care have made the 1,900 residents of Perth-Andover more united than ever. In the past five years, Hotel Dieu Hospital of St. Joseph (on the Perth side of the river) has lost 18 of 65 beds, its cafeteria, in-house laundry and several nurses. Peter Moore, the hospital chief of staff, says public fears are well-founded. "There's a critical mass and if you go below it you don't have the staff on hand to do the job," Moore says. Evidently mindful of the Trans-Canada Highway a stone's throw to the west, he adds, "What if you have a big accident to deal with?"

The relentless, provincially driven pruning of medicare spending—on hospitals, doctors, nurses and advanced technology—has ignited vocal and angry protest across the country. In regions where most people live in cities with medical care close at hand, that protest has partly been a product of ideology, partisan politics and self-interest. In the four Atlantic provinces, however, half the population is rural, the nearest hospital—or even doctor—may be hours away, sometimes by boat, and the cutbacks have led not to public posturing but to dismay. Among the inhabitants of Perth-Andover and the surrounding countryside, there are plenty of illustrations.

The centrepiece is the hospital, a two-storey yellow-brick building vulnerable to flooding when the nearby river overflows its banks. Moore, a 47-year-old native of Perth who has practised medicine there for 20 years, recalls that "I've actually had to canoe down those corridors." He and the staff are delighted that a 30-bed extension is being built on higher ground but there are rumors that once it is finished, the old hospital will be closed with the net loss of a further 17 beds. "I like my job, I'm in the town I grew up in," Moore says. "But we feel very pushed around right now."

Moore: 'We feel very pushed around right now'

Probably no one is more entitled to feel that way than Dr. Brian Sykes, the only surgeon in town, who is on call 24 hours a day, seven days a week. His caseload is not likely to lighten, the regional hospital corporation announced in late October that only day surgery would be permitted in the smaller hospitals at Plaster Rock, 50 km north of Perth-Andover, and Bath, about 40 km south. (Those two institutions are down to a combined 24 beds from 62.) The rest of the operations will have to be done by Sykes. "The toll is taking him down," says Moore. "He's overworked." The only help Sykes can count on is a surgeon in Bath, who is near retirement, and a surgeon from Grand Falls, 50 km away, who helps out at Plaster Rock. Michael MacInnis, the co-chairman of a citizens' action group in Bath, adds, "When you start losing surgery, everything is going to go."

Much has already gone. The Hotel Dieu's 53-member nursing staff has been reduced by five, and a nurse who asked that her name be withheld says five of her colleagues have taken stress-induced leave. In the past two years, she says, 15 nurses have left to work in the United States. "We don't have the time to spend with our patients any more," she says. "You just go into their rooms, throw their pills at them and then rush to the next room." Moore says the workers have been frightened they will lose their jobs ever since the government fired the traditional hospital boards in 1992 and carved the province into regional hospital corporations, which moved quickly to accommodate cuts in government spending. "The ones who are gone I don't see any more but those who are here are very insecure," says Moore. "And this is by no means the worst case in rural New Brunswick."

But it is of such concern that members of citizens' actions groups from Perth-Andover, Plaster Rock and Bath showed up on a recent Saturday for a strategy meeting in the restaurant of a Trans-Canada Highway service centre. Those present included the action group's MacInnis, bespectacled Winnipeg-born optometrist Harvey Bass who sat on the now-disbanded Hotel Dieu hospital board, and several members of the medical, nursing and support staff. Bass says he and community leaders elsewhere in the province are constantly trying to figure out what the regional corporation will do next. "Every time they tell us that we shouldn't worry about a certain issue, all of a sudden we have to worry," he says.

Towards the end of October, Bass says, his six-year-old daughter broke her arm in a noontime schoolyard mishap. The family physician who examined her at Hotel Dieu said she should be seen by an orthopedic surgeon. Bass put her in his car and drove 200 km to Fredericton and Dr. Everett Chalmers Hospital, where it was approaching midnight by the time she was treated and in a recovery room. "If this is what we have now," says Bass, "I can't imagine what we'll have if it gets worse."

To Bass, "the cuts seem to be more hit and miss than they do strategic—unless the strategic plan is to erode all the rural care in the province and take it to the city." That, he claims, makes no sense because health care costs less in a rural setting than it does in a city. "It seems as if they're saying, 'Tough bananas, New Brunswick,'" says Bass. "It seems clear that

NEW BRUNSWICK

With the exception of Alberta, no province has performed such radical surgery on its health-care services as New Brunswick. Faced with substantial cuts in federal transfer payments, Premier Frank McKenna and his health minister, physician Russell King, began restructuring the $1 billion system in 1992. Their first major move was to establish eight regional health corporations in place of 51 local hospital boards. Then they capped physicians' billings, fixed quotas for the number who could practise in each region and began closing hospital beds. In some hospitals, bed spaces were cut by 50 per cent. Hundreds of laundry, kitchen and housekeeping personnel have been laid off and nursing complements have been reduced.

The regional corporations, caught in the middle between hardening government policy and the anger of citizens' protest groups, have themselves complained about plummeting resources. As long ago as last May, Richard Michaud of Grand Falls, chairman of the New Brunswick Healthcare Association, which represents the regional corporations, said hospitals had no administrative fat left to cut. "There is a great fear that we are nearing the point where further cutbacks will compromise the quality of health care we can deliver," Michaud said. "In some cases, we are already there."

In early November, King said his health ministry is spending $409 million more this year than it did in 1987-1988, even though the rate of increase in its budget has been sharply reduced in the same period. King says, however, that he has been listening while he cuts and "I've heard from the corporations that we can't cut any more. I am taking that very seriously."

PRINCE EDWARD ISLAND

In 1991, anticipating tough times, the Prince Edward Island government began a two-year series of studies of how best to reform provincial health care. Based on the results of those reviews, the government three years ago created a new Health and Community Services Agency and replaced local hospital boards with regional authorities. The agency sets the budgets for the regions, which decide how to distribute the money among acute-care hospitals, jails, detox centres and nursing homes. At the same time, 200 health-care workers opted for severance packages and early retirement.

Meanwhile, the 1995-1996 federal transfer payment for health, education and welfare shrank to $70.3 million from $85.4 million.

As elsewhere across the country, the reforms are under fire. The government says it wants, wherever possible, to treat people at home rather than in hospitals, but critics claim that although acute-care dollars have been cut, so-called community care remains underfunded. "Most doctors will tell you they don't know what health reform is or what it's supposed to do because all we've seen is bureaucratic shuffling," says Marilyn Lowther, executive director of the P.E.I. Medical Society. "Access is no better than it was and we haven't seen evidence that the system is more efficient."

Former Premier Keith Milligan foresaw relief via the new bridge linking the Island to the mainland. Campaigning for the Nov. 18 provincial election (which his Liberals lost), he said that while the government was committed to quality care, "some equipment is so expensive we simply can't afford or justify it." However, he noted, "once the link is completed, we're only an hour from some of the most modern facilities and teams of specialists in this country."

before long you're going to have to travel to the city to get your medical care and people are going to die."

That sense of alienation has spread well beyond the medical staff. A mother of three was laid off from her job in the hospital laundry two years ago and now spends her days knitting, crocheting and looking after her grandson. "They wanted to do more with less staff and I couldn't keep up now if I wanted to," she says. "That hospital is overstressed." Starting in the new year, Hotel Dieu's laundry will be done in Fredericton and the full-service cafeteria will offer lunch only.

Plante's experience is commonplace. Shirley Mowbray, 42, the widowed mother of two children, was displaced as a cook when that position became part time and now she awaits a transfer to the laundry, which will be closed in a few months. After that, her 22 years of seniority will allow her to bump a more junior employee out of a job. Says Mowbray: "Health care has really been downgraded in our province." Shirley Roach, 43, a co-worker, has been on staff for 23 years in the kitchen, in housekeeping and in the laundry. "From the time I was a small child, getting a job in the hospital was something to strive for," she says.

All over the province, citizens' groups, doctors, nurses, politicians, community organizations and union leaders are embroiled in a health-care debate that is interminable and often acrimonious. In St-Quentin, a village in northwestern New Brunswick, physician Jean-Claude Terras says he believes the government wants to end obstetrical care in rural areas. The government denies it. Saint John doctor Michael Barry, past president of the Saint John Medical Society, says weary doctors are seeing up to 100 patients a day on the province's north shore and the ones they cannot get to "come to their homes and bang on the door." The government says rural doctors have always worked hard. As for caregivers delivering the human touch, says New Brunswick Nurses' Union president Linda Silas-Martin: "No one has time any more to spend with the dying and their families."

GEOFF GAMMON

Harvey and Sophie Bass: suddenly, 'we have to worry'

With GLEN ALLEN in Perth-Andover

NOVA SCOTIA

In its campaign to lower the cost of health care, the Nova Scotia government has turned to technology. It has allocated $500,000 to explore tele-medicine—using computers that enable doctors to consult one another about patients over long distances. Three physicians in the eastern Nova Scotia community of Guysborough are taking part in the pilot study whereby X-ray images are transmitted by computer to a radiologist in Halifax, who then discusses his conclusions with the originating doctor by telephone. The government says it hopes the technology can reduce the number of in-person referrals to specialists and heighten the appeal of rural medical practice.

But that experiment is only part of a three-year drive to reduce medicare spending. The government predicts that by next March it will have cut the annual health budget of $1.27 billion—one-third of its total expenditures—by $40 million, about three cents on the dollar. Most of the savings have been achieved by redesigning the system. After slashing the number of hospital beds by about one-third, the government expects that spending on home care—far cheaper than hospital care—will be 20 per cent higher than last year's outlay. The volume of day surgery has increased and women are leaving hospital sooner after giving birth. Five hospitals have been turned into community-health clinics and no longer offer in-patient surgery and obstetrical services.

A government-commissioned opinion poll last summer found that while many Nova Scotians felt they had been well-served by the health-care network, the quality of care had deteriorated in five years. The government's response: a slowdown in changes.

NEWFOUNDLAND

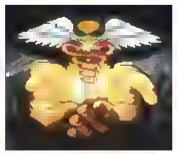
Mirroring the overall economic picture in Canada's poorest province, Newfoundland's health-care system has been under financial pressure for a decade, as successive governments implemented reforms aimed at reducing expenditures and improving efficiency. The most recent phase of reform began in 1992-1993, when the province streamlined its network of 25 hospital and 21 nursing home boards into eight regional boards, responsible for both acute and long-term-care services, while new community health authorities were assigned to oversee prevention programs, mental health services and continuing care. Closure of hospital beds reduced capacity by almost 30 per cent from 1990 levels but have improved efficiency, at least on paper. The occupancy rate has risen to 79 per cent from 66 per cent six years ago, and the average length of stay has fallen to 7.4 days from 8.5 days.

Newfoundland's Liberal government increased funding to community-health programs by $2 million annually. But it has also pledged to stabilize total health-care spending at $903.3 million for the next three years. That translates into hospital closures: in St. John's, where the most sweeping reforms will occur, three of eight hospitals will close by 1999, laying off 300 workers. Critics point out that stable funding does not take into account the costs of inflation, restructuring or an aging population. And Newfoundland faces unique challenges. The loss of much of the cod fishery has put more people on welfare—and payouts for a social assistance drug plan have risen to $30 million from $18 million in five years. And with only 860 physicians, the province of 568,000 is suffering from a chronic shortage of doctors, particularly in its far-flung coastal communities.

Faltering reform

The number of Americans without health insurance is growing

The health-care system of ours is badly broken, and it is time to fix it
—Bill Clinton, 1993



I made a blunder
—Bill Clinton, 1995

BY ANDREW PHILLIPS

Between the President's confident assertion that only major surgery could heal American health care and his rueful admission that his own reform plan was dead on arrival, lay a world of political disappointment. Bill Clinton's attempt to give Americans universal medical coverage was supposed to be the touchstone of his first term in office. Instead, it collapsed under the weight of its own complexity and the fierce criticism of its opponents—and almost took his presidency down with it. But the problems it was designed to solve have not gone away. If anything, they have gotten worse. One fact serves to illustrate that better than any other. When Clinton unveiled his plan in September, 1993, he told Congress that 37 million Americans had no health insurance at all. Today, that number is more than 40 million—and rising.

The politicians may have deadlocked over the issue, but American health care is being revolutionized as they watch from the sidelines. Intense pressures to cut costs are forcing doctors to take less and prompting employers to cut back on the coverage they provide for their workers. So-called health maintenance organizations, networks of doctors and hospitals that increasingly control the supply of medical services, are booming amid concerns about the restrictions they place on care. Large profit-seeking corporations are entering the field more aggressively than ever before. And the government programs that cover about one in four Americans, Medicare and Medicaid, face unprecedented pressure. The result, journalists Haynes Johnson and David Broder conclude in *The System*, a detailed new study of how Clinton's plan failed, is not a pretty one. "It is a grim picture," they write, "and suggests a more polarized, class-based society, where people with money are going to be fine, but people without money are going to be much worse off."

The irony, of course, is that is exactly the opposite of what Clinton hoped to accomplish when he launched his reform plan in 1993 and put his wife, Hillary, in charge. The President hoped to ensure that all Americans were covered, mainly by requiring employers to help pay for coverage and by subsidizing health insurance for the unemployed. And he wanted to control the growth of medical costs, which are increasing far faster than other costs and now consume 14.5 per cent of the national product—fully one-seventh of the entire American economy. The plan was certainly ambitious when Clinton sent it to Congress, the proposed bill was 1,342 pages long. But its opponents, led by a potent insurance industry ad campaign, successfully portrayed it as an attempt to have the federal government take over medical care. And many Americans fortunate enough to have adequate coverage—the majority—feared that it would mean cutting their benefits.

Three years later, they face the same pressures—but from private business rather than government. The trend towards downsizing means that many companies have replaced full-time employees with part-timers and contract workers who do not get medical insurance benefits. As a result, even during a long economic boom, the number of Americans without insurance continues to climb. And employers are increasingly turning to managed care plans to keep costs down. Under those plans, patients typically pay a fixed monthly fee for health coverage, but they can be treated only by doctors and hospitals affiliated with the plan. The theory is that managed care keeps costs down by increasing efficiency and giving doctors an incentive to keep patients healthy through counselling and preventive medicine. The reality can be less rosy.

The fastest-growing type of managed care are HMOs—and critics say many of them increasingly pressure doctors to limit the kind of health care they offer. Already, 58-million Americans are enrolled in such plans and in some parts of the country, notably California, they are the dominant form of health insurance. For the most part, surveys show, patients are satisfied. But in 35 states and at the federal level, there are campaigns to make sure that HMOs do not unduly restrict the care they offer just to save money. One target is gag rules that forbid doctors in some HMOs from telling patients about treatments that the plan's managers regard as too expensive—or even from criticizing the HMO. Other critics are trying to make sure that managed care plans do not restrict treatment too much. In September, for example, Congress passed a law requiring insurers to allow women to stay in hospital for at least 48 hours after giving birth—ending what Clinton denounced to great political advantage during his re-election campaign as "drive-by deliveries."

Others are trying to end the increasingly common practice of having mastectomies performed as outpatient operations—avoiding the need for a costly hospital stay. Rosa DeLauro, a Democratic congresswoman from Connecticut, introduced a bill that would stop some HMOs from setting rules requiring their hospitals to send women home the same day they have a breast amputated, usually because of cancer—what have become known as "drive-thru mastectomies." Even the association grouping most American HMOs advised its members to stop that practice in a bid to avoid national legislation against it. In California, two propositions were on the ballot in the Nov. 5 election that would have required tighter state regulation of HMOs. They were defeated, in part because their supporters were divided. Still, says Sara Singer, a health policy analyst at Stanford University, many HMOs are finding creative solutions to the problem of restraining medical costs. "The industry as a whole is getting a bad rap," she says. "Some HMOs are doing very innovative things."

At the same time, big business has entered the medical field more actively than ever before. Mergers and acquisitions of hospitals, laboratories and even doctor groups complete with their patient lists have become commonplace. To some observers, it is a predictable development. A vast industry that consumes a seventh of U.S. national output, they say, could not go on operating as a collection of tiny, inefficient enterprises. To others, the so-called corporatization of American medicine has more sinister implications. Dr. Arnold Relman, a professor of medicine at Harvard University and editor emeritus of *The New England Journal of Medicine*, predicts it will lead to more uninsured people, greater inequity in health coverage,

The Clintons: only modest measures for chronic ills

An expatriate's tale

After 15 years in practice as a thoracic and cardiovascular surgeon, John Teskey had become identified with Manitoba's medical elite. He was, by all accounts, a caring and gifted staff member at the Winnipeg Health Sciences Centre and a teacher of medicine at the University of Manitoba. But by 1991, he says, shrinking medicare resources had so interfered with his practice and diminished his income that he began contemplating a move to the United States. "I had really serious concerns about my professional livelihood," he says. In April, 1992, he got the break: joining Cardiac Surgical Associates of Minneapolis, one of the foremost heart-surgery groups in North America. "It was an offer," says Teskey, "that I just could not have refused."

Teskey became one of the more than 9,000 Canadian-trained doctors practising in the United States, nearly 2,000 of whom have graduated from a Canadian medical school since 1980. Not all of them were Canadian-born. And many have moved to places like Arizona, California and Florida simply because they prefer the climate. But thousands of others have emigrated to escape the endless frustrations of provincial health-care cutbacks and to make a better living. Asked how his income had changed, Teskey replied: "Well, it has considerably improved."

While he would not say by how much, Manitoba heart surgeons earned roughly $275,000 a year in the early 1990s. The Ontario Medical Association predicts that province's heart surgeons will average more than $350,000 in 1996 out of which they will pay about $200,000 in income taxes and office expenses. By contrast, the American Medical Association says the average annual income for a top-end U.S. heart surgeon is currently about $700,000.

However, Teskey says, a dwindling income was only one of the concerns he faced in Winnipeg. In trying to treat patients, he says, "there was always some limiting factor, whether it was operating rooms or bed space or intensive care units or nursing, whatever. There would always be some point at which the system would be limited." Teskey often found himself "spending an awful lot of time fielding phone calls from patients wanting to know how long it would be before they could get into the hospital. These were frequently people with serious diseases." The situation, he says, had "become intolerable and made leaving even more urgent."

Now one of the group's 13 cardiac surgeons, Teskey does between 200 and 250 open-heart operations a year—twice as many as he did in Winnipeg. Canadian friends and former colleagues, he says, tell him that "there can be serious problems, which are much greater than in the States, in simply getting looked after—even for people who are not out of the loop."

Teskey says he and his family may keep their Canadian citizenship. "We still view ourselves as Canadians and, you know, Canada is our home," he says. "I've had mixed feelings all along. I miss Canada and I don't know whether we'll wind up coming back. At some point, we may well."

RAE CORELLI

and a neglect of medical research. And, he says, doctors who opposed Clinton's reform efforts because they feared the heavy hand of government bureaucrats may well find that the cost-cutters in charge of some HMOs are worse. "They are already finding out that the people running corporate plans are even tougher task masters than the government," he said in an interview.

In the short run, at least, the death of Clinton's ambitious plan means that U.S. politicians are likely to attempt only modest measures to improve health care for Americans. One recent

Kirkpatrick: 'anguish' over U.S. medicine

step, pushed through Congress by senators Edward Kennedy and Nancy Kassebaum, improves coverage for people who change jobs, or lose their jobs. But the biggest political challenge is rescuing Medicare, which consumes $265 billion a year and covers almost 38-million elderly and disabled Americans. The plan is spending more every year than it takes in, and will go bankrupt in the year 2001 unless Washington acts. Medicaid, the $120-billion program that covers another 32-million people, mainly those on welfare, also faces a financial crunch.

Democrats and Republicans agree that urgent action is needed to save the plans, and Clinton's aides say he is considering appointing a bipartisan commission to come up with a formula. But that is far short of what he set out to accomplish only three years ago. As a result of his failure, Johnson and Broder conclude in *The System*, "the goal of providing affordable quality health care for all ... is farther from realization in the United States in 1996 than it was at the beginning of the decade." □

Back home in Canada

Hundreds of doctors are lured from Canada to the United States every year by extravagant promises of professional freedom and a lavish lifestyle. But some of those who become disillusioned with the American medical environment return to Canada—and in their ranks are Americans who trained in Canada but found they did not like practising in the United States. David Kirkpatrick, Missouri-born and a graduate of the Medical College of Georgia, did four years of postgraduate study at the University of British Columbia in Vancouver to qualify in psychiatry, finishing in 1977. His goal was to open a mental health clinic there and share the practice with his wife, a psychiatric nurse. But instead, in the fall of 1981—"after hearing that I could practise medicine in the United States with greater freedom"—Kirkpatrick and his family moved to Ashland, Ore. In 1995, fed up with aggressive and intrusive medical insurance companies and "cutthroat competition among hospitals," he happily returned to British Columbia and the Canadian health-care system.

His 14 years in Oregon began agreeably enough, says Kirkpatrick, now 57, but the insurance-driven health system was soon contesting patients' claims and burying him in paperwork. "They were always cutting back on paid services, and mental health seemed to be the first thing to go," he recalls. "You could get your toothache taken care of before you could get counselling for a suicidal depression." Certain insurers, he says, would only pay for 10 visits to a psychiatrist in a year. Some patients needing more psychotherapy offered to pay him in kind—cleaning services, art lessons for his children, original poetry and home-made purses. In the end, says Kirkpatrick, he wrote off thousands of dollars in bills.

Nor was that all, he says. Insurance company case reviewers sometimes questioned the need for psychotherapy and suggested that "I should prescribe antidepressant medication to speed up the process and thus save the company money. 'Has this patient been tried on Prozac?' they would ask. 'Why not?' " At the same time, he says, companies started poking into confidential patient files "putting already worried and anxious patients in an impossible bind—keep records private and risk insurance denial or open them up to get relief from a company that still might not pay."

In 1991, Kirkpatrick's wife, Betsy, died after a long bout with cancer, and her death, he now says, "just compounded my anguish and frustration" over trying to practise U.S.-style medicine. "I limped through for a couple of years and then we packed up and moved back." He says he has a message for Canadian doctors "tempted to respond to the slick marketing ads" of corporate medical and surgical headhunters based in the United States: "Before calling Mayflower, call me."

Not all returning physicians leave behind disillusionment. By almost any yardstick, Toronto-born Sheldon Pollack had it made in American medicine. He was 29 years old, a certified specialist in dermatology, and skilled in the advanced surgical treatment of skin cancer. He was also an assistant professor of medicine at the Duke University Medical Center in Durham, N.C., which he reckons is one of the top five teaching, research and clinical complexes in the United States. But in September, 1990, after 11 years at Duke, he quit and returned to Toronto with his wife and children. "I had a phenomenal career, became well-known and all that stuff, but it was never home," says Pollack, now 47 and practising in midtown Toronto. "So it was about coming home."

But for Pollack, the homecoming had a price tag. While he declined to say how much he earned at Duke—large U.S. medical centres pay leading specialists in comparable jobs as much as $400,000 a year. Under Ontario's health insurance plan, dermatologists are paid at the same rate regardless of experience, their average annual billings, before taxes, malpractice insurance and office expenses, are about $240,000. Taking on 50 to 60 patients a day in order to make a living did not appeal to him, Pollack says, "so I had to find something else." The answer: lucrative cosmetic surgery that patients have to pay for.

Now, five years after he returned to Canada, Pollack says he is happy to be back, although he sometimes misses the excitement of working among competitive, profit-driven medical centres. "But our kids were starting to talk with a southern accent so it was time to get the hell out of there," he adds. "Now, it feels like we've never been away."

RAE CORELLI

Overstretched in Emerg

On both sides of the border, hospital ERs feel the pinch

BY MARCI McDONALD

The scenes would never make the television series *ER*. Not enough breathless melodrama. No screaming and scheming and bedlam in the halls. In the real-life emergency rooms of St. Michael's Hospital in Toronto and The Buffalo General Hospital in upstate New York—two inner-city institutions separated by 160 km and contrasting health-care systems—the traffic in human misery unfolds at a less frenetic pace. But as the stretchers roll in, the tensions run as high and the behind-the-scenes anguish as deep. On opposite sides of the border, both hospitals are in the throes of an unprecedented crisis, their life-support systems under siege, the terms of their survival in question. If the cause of their maladies are entirely different, many of their symptoms are remarkably the same.

Just past 4:30 p.m. on a recent Tuesday at St. Michael's, Leslynne Jones, a 43-year-old accounts clerk, lies on a gurney in the emergency department hallway, pale beneath her cornrow braids, an intravenous tube dripping into one intricately manicured hand. The blackboard above the nursing station reports that all 10 of the ward's urgent-care beds are full—although not so overwhelmed as to start redirecting ambulances to other hospitals, as happens 37 hours a month. The seven cubicles reserved for lesser emergencies are occupied too. Patients like Jones whose complaints are not life-threatening must wait, and increasingly these days that wait is longer. For seven hours, almost since she arrived doubled over with abdominal pain, she has lain in the minor care corridor, dodged by both patients and staff.

Terrified by hospitals all her life, she had not wanted to come, especially now with daily headlines of government cutbacks that have left Ontario's $17.5-billion medical system reeling and provoked specialists into open revolt. Nobody knows better than Jones about the tightening of that fiscal tourniquet. Her boss brought her in from her job across the street at the provincial finance ministry, which last fall slashed funding for Ontario's 213 public hospitals by 18 per cent, or a staggering $1.3 billion, over three years. "There are stories all over," she worries. "You're afraid you're not going to get the service you need."

Groggy from painkillers, Jones waits quietly, but not everybody does. "They yell at us," says nurse Elaine Laine. "You'll have people who will walk out because they have maybe a three-hour wait with a sore throat or a toothache. They use the emergency department like a walk-in clinic, and they're irate because they're not getting the care they used to get. But when you've got ambulances coming in, you have to prioritize."

Within 10 minutes of Jones's arrival at 10:30 a.m., one of the department's eight certified emergency medicine specialists promptly ruled out a ruptured appendix and she was wheeled out of an examining room into the hall. Two and a half hours later, an ultrasound scan showed she was suffering from massive uterine fibroids—growths, either benign or malignant, which had mushroomed and fragmented. The physician recommended surgery, but she would not be scheduled for two weeks. For now, he has her under observation before sending her home with painkillers. Once, he would have admitted her to a gynecological ward. But with growing government pressure to discourage $806-a-bed overnight stays, a mounting number of procedures, even surgeries, are treated on an outpatient basis. "Obviously, there's pressure to get patients in and out," says Dr. Brian Steinhart, medical director of the emergency department, which handled 35,000 visits last year. "But because we're supported by volume, there's pressure to see more."

In fact, while that process keeps costs down for the Ontario Health Insurance Plan and revenues up for the hospital, it is taxing Steinhart's emergency room staff—the front line of medical care. "Now, instead of getting these patients up on the floors, they're being assessed longer here," he says. "This is having a bottleneck effect. You get three of these patients in, you're hard-pressed to deal with a cardiac case."

Laine at St. Mike's: 'When you've got ambulances coming in, you have to prioritize'

PHOTO: FERNANDO MORALES

Increasingly, even those cleared for admission cannot be moved on to their designated wards. Already, over the past 10 years, St. Michael's has cut its beds from 701 to 391, and, during slow seasons like Christmas and the March school break, it closes even more. Administrators boast of an 83-per-cent occupancy rate and an average length of stay reduced from 10 days a decade ago to 6.7—the sort of measures that bureaucrats demand. But vacancies seldom crop up where or when needed. Last month, St. Mike's was obliged to dispatch one critical case to nearby Mount Sinai Hospital because its own intensive-care unit was jammed. "A lot of times we have people down in the emergency department," says Laine, "because we can't get beds."

One of eight registered nurses on duty during the staggered 12-hour day shift—one of five when she works nights—Laine, 39, finds herself increasingly stretched. "Some nights we work straight through without taking a break," she says. "People are sicker. In the old days, you didn't have all the stabbings and shootings. Now, you see a lot more violent crime."

She also sees more of regulars like Pete McMullen, a shaggy 55-year-old in a black tractor cap that reads "Grave digger," who has just woken up on a stretcher from the alcoholic haze where ambulance attendants found him on his usual turf—the heating vent in front of The King Edward Hotel. "I don't know how I got here," he grumbles. "I guess I got busted. I couldn't even crawl." Now he pounds the metal arms of his gurney, growling, "I'm hungry, damn it!" Finally, another nurse fetches him a sandwich from a cache kept for the homeless—part of St. Michael's longstanding mission, set out by the founding Sisters of St. Joseph, to minister to the inner-city indigent. It is a mission the staff still earnestly believes in, but at times it threatens to swamp the department. "Because social workers have been cut, more people are coming in with more social problems," says Laine. "You get a lot of street people, a lot of psychiatric patients and drunks. At night, if we can't get a bed at the detox centre, we're a hostel too. It takes a lot of time and the stress level is high."

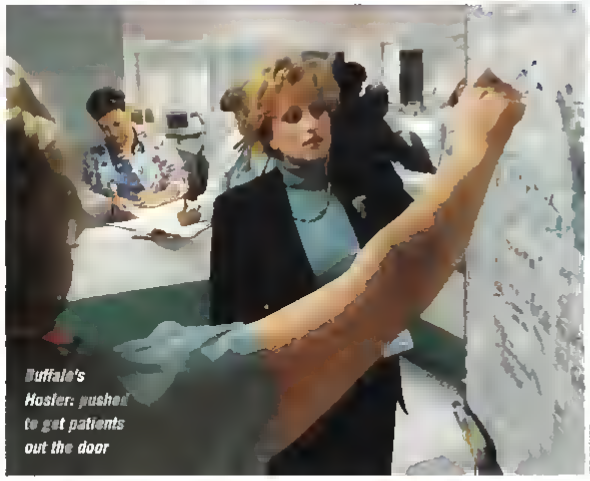
But the greatest stress now comes from the scalpel hanging over the staff as a government restructuring commission prepares to announce which of 44 Toronto-area hospitals will live and which die or merge. St. Mike's is not on the tentative hit list of 12 recommended to be shut, but it will not survive unscarred. The administration has sheared 3.5 per cent off its annual $170-million budget—half that faced by its most-threatened neighbors—and the closures and consolidations could force the elimination of entire departments, including the emergency room. "Stresses have increased," acknowledges Steinhart. "Job security among the nurses is an issue. It has yet to hit the physicians, but it will with ER closures, and then there'll be added stresses on those emergency rooms left."

Already last year, St. Michael's let 220 employees go, offering early retirement and so-called voluntary exit packages. Now, as part of a radical reorganization, the staff of 2,700 will be trimmed by another 150 over the next three years. Administrators predict that as

many as three-quarters of those remaining will have to be retrained. Some registered nurses like Laine, who earns $25.31 an hour, may be replaced by unlicensed aides, to be called "clinical assistants," paid half that wage. With two to six weeks of training, they are scheduled to carry out such routine tasks as bathing and feeding patients. But at many American hospitals where the practice has been introduced, the results have been mixed—and in some cases, tragic. Last February, in an investigative series, *the Pittsburgh Post-Gazette* chronicled a handful of deaths blamed on just such unlicensed staff in California, one aide accidentally unhooked a cardiac patient from a heart monitor during bathing, and at Pennsylvania's Allegheny General Hospital, another mistakenly inserted a feeding tube into a patient's air passage.

The prospect of a similar restaffing at St. Mike's has sent rage and rumors skittering through its nursing stations, where RNs struggle to keep patient care beyond reproach while coping with private fears and plummeting morale. "Everybody is kind of on edge," Laine admits, "because they think, is it my job that's going to be gone?"

Huge U.S. funding organizations are redefining health care



Buffalo's Hosler: pushed to get patients out the door

JOE TRAVER

On a Thursday afternoon in the gleaming new emergency room of Buffalo General, a $7.5-million renovation unveiled only four months ago, the facilities are spiffier and more streamlined than at St. Mike's, but the stresses are almost identical. Opposite the central medical station, nurse Judy Masotti scans the greaseboard that lists every case in the surrounding 26 curtained cubicles: a 350-lb. "frequent flyer" with yet another overdose, a woman with a Q-Tip stuck in her ear, and a rash of assaults and heart attack victims. "Are we yellow yet?" she shouts, referring to the code that warns ambulances of overload, but which cannot, under U.S. law, turn them away. "I've got a kid who's been assaulted and I need a bed."

But here, too, at upstate New York's largest medical centre, a private not-for-profit hospital with a staff of 4,487 and an operating budget of $260 million, all the emergency beds are full. Chris Bovenza, a 44-year-old with bone cancer that has spread to her brain, lies on a stretcher in the hallway in red and white Mickey Mouse pyjamas waiting for admission. This morning, she woke up at home unable to walk. Now, the room booked for her upstairs is not ready and somewhere in the system the voluminous paperwork of her insurance forms has bogged down. But left in the limbo of the emergency room, Bovenza does not blame the nurses for failing to stop by with reassurance. "They don't have time for that," she says. Speeding between cases, Masotti ruefully agrees. "I'm like every nurse everywhere," she says. "Overwhelmed."

At 33 with 11 years experience, Masotti has no hesitation in fingering the cause. "People are sicker," she says. Without exception, she and her colleagues blame what they call "managed care"—the system instituted by huge U.S. private health maintenance organizations, known as HMOs, which have rapidly replaced traditional insurance companies as the leading force, and funders, in the American medical industry. In return for lower monthly rates, they offer their subscribers the services of a limited list of hospitals and physicians. In a country where privately insured patients have been accustomed to booking appointments with a specialist of their choice at whim, HMOs are suddenly introducing a Canadian-style model, where general practitioners act as gatekeepers who control further consultations and costs—including trying to keep members out of hospital. "They're going to these places or getting cared for at home longer," says Masotti. "By the time they show up here, they're really sick."

Hooked up to a heart monitor in cubicle 22, James Kulczyk, a 56-year-old retired public-school teacher, can testify to that. Two years ago, he turned up at the suburban clinic of Health Care Plan, a 150,000-member HMO that charges him $350 a month in premiums—$4,200 a year—complaining he felt queasy. The doctor told him nothing was wrong and sent him home. Finally, when Kulczyk went to Buffalo General on his own, an angiogram showed he needed a quintuple bypass—pronto. "The last time I was here, I was in deep ca ca," he recalls, "and they had me down in the old waiting room for three hours."

But with the clout of their mammoth subscriber bases, HMOs are setting hospital fees, dictating treatment and approved drugs and, if a hospital proves uncooperative, determining the institution's fate by threatening to take their business elsewhere. Currently locked in a battle with Community Blue, the regional HMO of the Blue Cross and Blue Shield group, Buffalo General found itself largely banished from the plan's list, accused of keeping costs too high and patients hospitalized too long. In fact, it had lowered its average length of stay from 8.2 days in 1992 to 6.9 this year, but the pressure is on to get patients out the door in four days. "The HMOs are driving the care here just like the government is driving it in Canada," says Donna Hosler, the General's emergency room co-ordinator. "The decisions are no longer in the hands of health care professionals." Agrees Barbara Allen, vice-president for patient care services. "Every day we are faced with these payers telling us what to do."

Until now, each procedure has been timed and costed in exacting segments. But in the new year, HMOs can negotiate a blanket fee to treat a set number of their subscribers—pitting hospitals against one another to keep expenses down and profit margins up. For Allen, that will mean more demands on her already overtaxed staff. "Nurses are more frustrated than they are burned out," she says. "They're being asked to cut corners when they're already over-stretched and stressed."

Nor are those stresses likely to ease. Like St. Michael's, the 782-bed Buffalo General now faces a major overhaul after a merger with two other city hospitals. Its aim is to stave off a buy-out by one of the mammoth for-profit chains such as Columbia/HCA Health Care Corp. of Nashville, which now runs 347 hospitals across the country. The shareholders of such booming profit centres would not look kindly at the splotch on the General's books: $4 million last year in writeoffs for treating uninsured cases—which the hospital regards as part of its inner-city mission—and another $7.7 million in bad debts when patients or insurers failed to pay up.

But the merger, which is still being negotiated, will mean cutting staff. In Buffalo, too, registered nurses face the threat of being replaced by unlicensed assistants dubbed, among other things, "personal care aides." And, as at St. Mike's, feelings run high. Nursing chief Allen calls it the "huge quandary" of American nursing. "I can get one and a half of these people for the price of an RN," she says. "I fight with nurses' unions on this on a daily basis. I say I am not trying to take their jobs away, but the truth is I think they *will* take their jobs—and they have." Now, she warns that nurses must retrain for new roles in the shifting, cost-obsessed health-care landscape. "They can't be acute-care nurses any more," she says. "They're going to have to be home-care nurses or do prevention. It will not be easy and it will not be painless. But nursing is in as much flux as American health care." Nor are nurses alone in fearing that change. At a time when Canadian physicians are threatening to flee across the border, many U.S. specialists are being declared redundant by HMOs demanding more family practitioners. "I think," says Allen, "a lot of people in the United States are scared."

Sent home from a Buffalo clinic, a patient needed a triple bypass

Masotti at Buffalo ER: 'People are sicker'

JOEL TRAVER

In St. Michael's emergency room, where Stan Coulthard has hooked up to a heart monitor, he recoils at the memory of a visit to a Texas hospital five years ago. He couldn't wait to fly home to St. Mike's, where he first came as a patient in 1948. At 73, after a triple bypass four months ago, the retired business manager still sings the hospital's praises. "If I had to live in the American system, I'd be dead now," he says. "There'd be no way I could pay for it. I just pray U.S.-style health care doesn't come here."

But to critics of the new dollar-driven revolution shaking up Canadian hospitals, many aspects have already arrived. Only steps from Coulthard's bed, St. Mike's dynamic president, Jeff Lozon, talks of patients as "customers" and brandishes the results of two customer satisfaction surveys performed by a Tennessee firm. "It's a kind of a mindset change," Lozon explains. Still, his greatest bow to the U.S. medical mindset has been to lure a New York-based consulting firm called American Practice Management Inc. to choreograph a radical restructuring that will cut costs and redeploy staff. Both he and APM's Canadian managing director, Michael Decter, a former Ontario deputy minister of health, decline to disclose the fee. But in addition to a lump sum, the corporation gets a percentage of the savings it has projected: $21 million over three years.

The downsizing has been sunnily dubbed "the patient care journey"—an official euphemism that even those fearing layoffs now toss around. A handful of St. Mike's nurses and doctors have been closely involved with APM's U.S. team of experts in the redesign. But the plan, which remains largely under wraps, already bears the trademark of the corporation's work at 40 continental hospitals: hiring an outside company to stock medical supplies and replacing registered nurses with unlicensed workers.

Some U.S. hospitals report themselves content with the resulting economies. But three years ago, when APM won a $4-million contract to streamline Winnipeg's Health Sciences Centre and St. Boniface General Hospital, the outcry forced the Manitoba government to abort part of the scheme. Instead of cutting a projected $45 to $65 million, the province has so far realized only $25 million in savings. And although assistant deputy health minister Tim Duprey has no complaints against APM, he admits it cost the government public support. Says Duprey: "People thought we were Americanizing the health-care system."

In St. Mike's emergency room, the only evidence yet of the patient care journey in progress is the department's new computer-controlled drug vending machine, the Pyxis Med Station System 2000—rechristened "Beckers" in dubious recognition of its resemblance to a convenience store fridge. With a drastically scaled-down inventory of drugs, as well as every Tylenol and Gravol locked inside, it is projected to trim $40,000 off the department's pharmaceutical bill. But within weeks of its arrival, it earned the wrath of some nurses. Twice during a hectic weekend shift, its computerized drawers jammed, paralyzing drug supplies and prompting a quick sprint to the trauma room to unlock the Fentanyl. "It's a lot of time wasted," worries nurse Jennifer Price, "especially if you're in a hurry or you have a cardiac arrest."

For Price and many of her colleagues, some of APM's other prescriptions are equally troubling. "If I feel I'm not giving the kind of care I expect from myself or the setting is unsafe," she says, "then I'd have to take some time and really question nursing." But Michael Decter argues that hospitals may have no choice. "The big question I get asked is: are we destroying medicare?" he says. "I think actually the opposite—that these changes are necessary if we want to continue to have medicare in this country."

Brian Steinhart too remains determinedly upbeat about the surgery that the government has enforced on his department. "It's made us look inward at what we're doing," he says, "and be a little inventive about maintaining our standards." Still, as he tracks readmission rates and nursing workloads, he is reserving final judgment. And at a time when both Canadian and U.S. health systems are under economic assault, he sounds a cautionary note that could well apply in either country. "My only apprehension," he says, "is that we lose sight of why we're here." □

Maclean's/THE NATIONAL

A Healthy Debate

The forum explores visions for the future

BY BARRY CAME

They came in search of solutions, 19 "ordinary" Canadians deeply concerned about the country's increasingly strained capacity to care for its sick. There was a high-school teacher's aide from Nova Scotia and an unemployed single mother from British Columbia, a middle-aged Calgary corporate businesswoman and a young Toronto banker, an actress, an engineer, a dairy farmer and a dozen diverse others. For an entire gruelling day, they sat under the hot lights in a television studio near Toronto's waterfront, invited by *Maclean's* and the CBC's *The National* to collectively explore the revolution that is transforming health care in Canada. They traded views with four "experts"—a family physician, a hospital administrator, a nurse and a consumer advocate—about shrinking health budgets and disappearing hospital beds. And when it was all over, few seemed to disagree with Dr. Michael Wyman's "guarded" prognosis about the future of the health-care system in this country. "The situation is not yet grave," said the Toronto physician, "but we have to find a better way."

Like all of those who took part in the daylong *Maclean's/The National* endeavor, Wyman offered no clear directions to that new path. But the forum's participants did deal with a few of the signposts that are beginning to appear. They talked at length about the spreading use of home, rather than hospital, care. They debated the pros and cons of the attempt to divert patients away from traditional doctors towards what the health industry refers to as nurse practitioners, specially trained nurses who, it is claimed, can relieve doctors of as much as 70 per cent of the routine chores they normally perform. Most of all, however, they gave voice to the anxiety many Canadians are experiencing about the future, whether, in fact, what we are witnessing at the moment is the rescue of the country's cherished health-care system or, rather, its inevitable decline.

Opinion at the *Maclean's/The National* forum was decidedly mixed. What follows is a sampling of those views.

Goodine, CBC's Hanna Gartner, Wyman: roles

PETER BREGG/MACLEAN'S

Rowand and Armstrong: differing visions of the future

PETER BREGG/MACLEAN'S

'We haven't put the pieces in place as we shift from one system to another'

The Optimists

"I'm going to say that our health-care system is in its adolescence," argued Melville Flynn, a 70-year-old retired teacher from Fergus, Ont. "And I'm going to suggest that we're going through this stage of tremendous turmoil, getting the various partners to sort of settle in and see where we're going collectively. But sometime within the next decade-and-a-half, it will emerge as something very significant and very substantially Canadian. But I think we've got this adolescent restlessness and we've got to drop some of our ideas, get some practicality, get some more dreams and go on from there. We're growing up. I think it's going to get better."

Toronto businessman Mike Tang, 58, was equally hopeful. "I think with new technology, new information systems, everything will be much more efficient," he said. "The doctor probably will not have you wait in his clinic for so long and ask you this question, that question. Maybe a home computer will keep all the information and the doctor will just glance at it and decide if you should come in or not. I think it's going to be better. There will be no more waste, nobody will abuse the system. When that happens, we're going to have the best system in the world."

Mary McIntosh, a 49-year-old dairy farmer from Perth County, Ont., said she thought the situation was bound to improve because local people "in our communities are going to become more involved in the decision-making. We're going to look at what the Red Cross is doing, what our health units are doing. I think because we've hit the financial wall that we are going to look at that and want all of the people participating to work together. And we are going to demand that as consumers—we want it to be there. I come from a small rural area and I think that we have to become involved in our communities to make those wants known."

The Pessimists

Annette Smith is 28, a married mother of two children and a cashier in a grocery store in Oshawa, Ont. She worried about "hitting middle age in the next 10 years. As you get older it doesn't matter if you're a vegetarian and work out twice a day, stuff starts not to work. And it seems to me that in the current fiscal situation, we're going to run out of money to be able to take care of everybody's stuff that isn't working. Over the next 10 years, I think we're looking at trouble."

Sharon MacLeod, 49, a teacher's aide in Middle Musquodobit, N.S., voiced similar concerns. "My biggest fear is that we're going to slide right down and become just like we were before medicare, become like the United States where you have to pay for everything. Hence, the rich get richer and the poor get poorer and we're not going to get the health care that we need."

Alan Farber, a 45-year-old chartered accountant in the Toronto suburb of North York, expressed concern about the lack of "forward-looking leadership" on the whole issue of health-care reform. He called for "people with very clear vision and ability to develop consensus, an ability to implement changes because lots of us can see lots of areas for change that would make a difference. My sense is that Canada came very, very close to hitting a financial wall. Governments collectively had to do something very dramatic. So the cuts started. It's a long political process. Great leadership is needed just to run through what is a very stormy period right now. So short term, I think we're declining and we're still going down. If we find that leadership, perhaps we can pull out of a trough. But that's a big 'if.'"

The Experts

Scott Rowand, chief executive officer of Hamilton Health Sciences Corp., a merged organization of hospitals in the Ontario city, agreed with the argument about Canadian health care running into a financial wall. "When we hit the wall," he said, "then we had to deal with it. We dealt with it and now we're picking up the pieces. One of our problems is, on the one hand, we recognize that we have pretty serious problems in terms of financing public services. I mean, we're now spending more in Ontario on debt interest than we are running the province's 220 hospitals. On the other hand, we want to try and balance quality and access, and maintaining access is a real challenge. Unless we find ways to use our resources properly, it's difficult. We are making changes very rapidly, driven exclusively by financial considerations, and we haven't put the pieces in place as we shift from one system to the other."

Once the pieces are in place, however, Rowand said he could foresee the outlines of the health-care system of the future. "I think

we're going to see a lot more integration with home-care systems, with longer-term care, much more extensive use of information technology, physician consultations using two-way interactive video. I think the system will be a lot better linked together. The system will be smaller. I think the hospital of the future is going to be a large intensive-care unit and large ambulatory centre with very little in between. And that means that most care will occur out of hospitals, but the systems and the processes will be put in place to assure that there's good care."

Wendy Armstrong, a former nurse from Edmonton, a past president of the Alberta Consumers' Association and a sitting member of Alberta Clinical Practice Guidelines Program, did not share Rowand's sunny view of the future. "I can see a whole generation of people, who had expectations of being able to retire and go down to Phoenix or Florida, finding themselves very strained caring for elderly parents or sick spouses—actually not having the money to travel because it's all gone in medical expenses. We Canadians must insist that any hospital care moved to another site, whether it's the home, a hospice or a private clinic, must be covered by the Canada Health Act. The intention of the people that developed hospital insurance was that that was where you went for expensive medical care and you stayed there until you were covered. Now, we have the option of providing it at lower cost in the community. If the intention is a hospital without walls, let the funding follow."

A 'trialogue' is needed among governments, health-care providers and the public

Forum participants question the experts, giving voice to a shared anxiety

In an earlier exchange, Armstrong cited the financial pressures exerted on families when public funding for health care is inadequate. "The alternative is not that you're going to do without, because when push comes to crunch, if you need money to pay for the expensive pain medication for a loved one who is dying, you will sell your truck, you will take out a second mortgage. You will do what is necessary." That is already a fear in Alberta, she said, and the lack of coverage has created a situation where "the private insurance companies are moving in big time, offering wraparound policies, home-care policies, long-term-care policies. Private insurance is one of the most expensive ways there is to fund health care."

In terms of funding, Wendy Goodine offered what she clearly viewed as at least part of the answer to diminishing health budgets. She is a nurse practitioner, a breed of health professional trained to provide some of the services traditionally performed exclusively by physicians. Practitioners are common in the United States and are growing increasingly important in Canada. Alberta has enacted legislation allowing nurse practitioners. Ontario and Newfoundland are poised to follow suit. There is no mystery about the reasons why.

"We have been proven to cost less," Goodine told the *Maclean's/The National* forum. "Studies have show that we order fewer tests, we prescribe fewer medications, we keep people out of hospitals because mostly what we do is we teach people about their health and wellness. Most of the time, people go to a doctor, it's for a common illness, it's for annual checkups, it's for the type of counselling that nurse practitioners can do. We can do 50 to 80 per cent of that kind of care. For example, I see a well baby and give an immunization. My physician partner can see a child with pneumonia and our community pediatrician can see a child who has uncontrolled asthma. Each one is being used effectively for the skills that they have." Not surprisingly, Goodine believes in a rosy future for Canada's health-care system if more space is created to accommodate her profession. "I'm very optimistic, provided we put the processes in place" that permit local "communities being able to decide what are the services they need most."

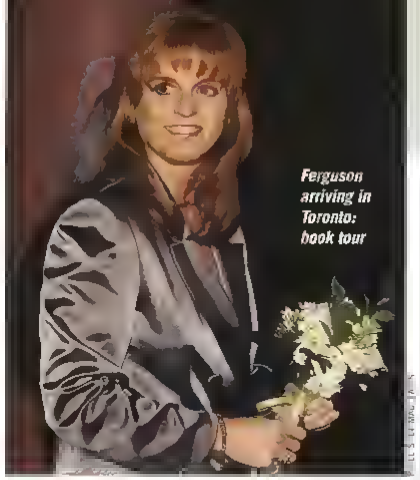
And what will be the role of the traditional doctor in the future? "I can't imagine that this system or the future system will be able to function without family physicians as the primary care entry point," said physician Wyman, adding a note of warning at the same time. "The baby boomers will become 65 in 15 years time. We have a growing population, an aging population. Unless we start to make changes, we're going to be in ever-deepening trouble. Information technology is critical. We need to be able to communicate better. But we need as we go along to make sure that we don't forget about the illness care that is going to be there, regardless of how much emphasis we put on health care. So promote health care, promote wellness, but you can't take it away from illness because we will all get sick. Life has a 100-per-cent mortality rate. And we can't forget that."

According to Wyman, no reform of the health-care system is possible without what he termed a "trialogue" among cash-strapped governments, health-care providers and the public at large. "It's OK for governments to cut budgets, but they have to have plans in place for the care that's not being provided. The providers have to be involved in providing information to governments as to how best provide services, but it doesn't mean anything if both of those are talking and don't involve the consumers of health care as part of the debate—to determine how much they're prepared to cut, how much they need, how much they want to have within the health care system."

Like several others who participated in the *Maclean's/The National* forum, the Toronto physician, a past president of the Ontario Medical Association, also stressed the need for leadership. "What we're going to need, all the money in the world isn't going to solve until we have some leadership," said Wyman. "It's like that great philosopher Pogo. We have seen the enemy and the enemy is us. All of us." □

People

Edited by
BARBARA WICKENS



Ferguson arriving in Toronto: book tour

Fergie's story

When **Sarah Ferguson** married **Prince Andrew** in 1986, many considered her "a breath of fresh air" blowing through Buckingham Palace. But Fleet Street eventually tired of her antics, reviling the chunky Duchess of York as "the duchess of pork." Now with the publication of *My Story*—part autobiography, part mea culpa for all that went wrong in her marriage, which ended in divorce in May of this year—Fergie is once again Miss Popularity. In North America, at least. On the U.S. leg of her book tour, she won over talk show hosts **Oprah Winfrey**, **Larry King** and **David Letterman**. The blitz continued in Toronto where Fergie chatted with **Pamela Wallin** on *Pamela Wallin Live* and **Valerie Pringle** on CTV's *Canada A.M.* More than 1,000 fans waited hours outside one bookstore to get her autograph on copies of *My Story*. But her tribulations may not be over. Confessed the duchess: "I'm dreading the book tour in the United Kingdom."

Krige (left), Stewart: part of the family

There is no resisting the Borg Queen

Ever since they appeared in a May, 1989, episode of *Star Trek: The Next Generation*, the Borg were the most popular villains on the TV series. Now in the new movie *Star Trek: First Contact*, the cybernetically enhanced aliens finally have a leader—the Borg Queen **Alice Krige**, 42, who plays the queen, says that fitting in with **Patrick Stewart** (Capt. Jean-Luc Picard) and the rest of the long-established cast was easy. "They made me feel part of the proverbial family," she adds. The Borg regalia was another matter—it took seven hours to get into it each time. But Krige says it was worth it, especially when the wardrobe and makeup people saw their finished work for the first time. Says Krige: "I thought, 'All right, they've scared themselves.'"

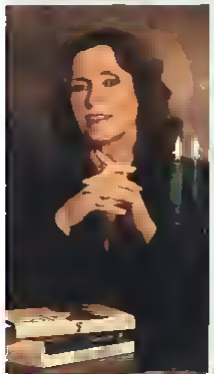
Art and advocacy

Wildlife artist **Robert Bateman** describes *Natural Worlds* as his "heaviest" book to date—in several senses of the word. With 130 full-color plates of his paintings, it literally weighs more than his three earlier books, which included some black-and-white sketches. *Natural Worlds*—with illustrations ranging from the otters living outside his home on Salt Spring Island, B.C., to African elephants—is also his most sombre volume. As a naturalist, Bateman is deeply concerned about the environment. "What I normally do is celebrate nature," says Bateman, 66, "but I feel that if we don't change our ways, we won't have any nature to celebrate."

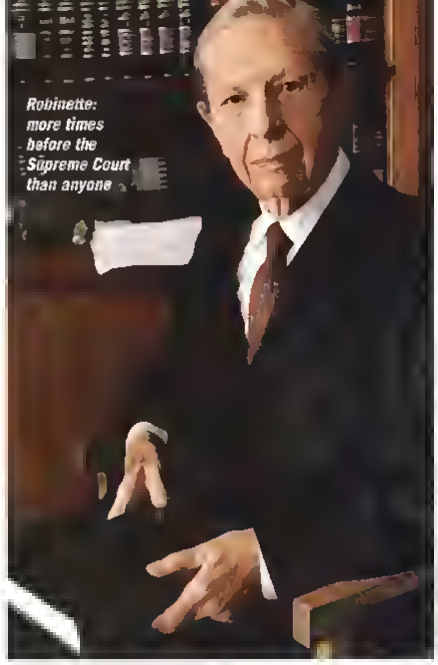
Bateman: 'I normally celebrate nature'

Television for the soul

When **Valerie Elia** left the anchor desk at the CBC's 6 p.m. Toronto newscast in 1983, she was at the top of her profession. Canada's first female host of an evening newscast and an occasional anchor of the national news, she turned down persistent offers from CNN. Eventually, Elia studied at Zurich's C. G. Jung Institute, and last year earned an MA in psychology from the Pacifica Graduate Institute in Santa Barbara, Calif. Now, she is returning to TV, as host and executive producer of an eight-part series, *Soulwork*, airing weekly from Nov. 26 on Vision TV. It features guests who, like Elia, 55, embarked on a spiritual journey, including former literary agent **Lucinda Vardey** who compiled the book *A Simple Path* with **Mother Teresa**. "When I left TV," says Elia, "I didn't know many people on the path I was on. Now I find it a very crowded path."



Elia: on a crowded path


Robinette: more times before the Supreme Court than anyone

'A cardinal of the law'

J. J. Robinette was one of the great courtroom lawyers

On the morning of March 16, 1946 children playing on the mountain that dominates Hamilton stumbled upon a headless and dismembered corpse partly concealed by a rocky outcropping. The discovery led to one of the most sensational murder cases in Canadian history—a shocking and lurid tale of conspiracy, sex and betrayal. It also catapulted a self-effacing 40-year-old Toronto lawyer—then little known even in Toronto—onto the national stage. But when he died last week at 90, J. J. (for John Josiah) Robinette had long since been acknowledged as the patriarch of Canada's trial lawyers: perhaps, some said, the profession's greatest practitioner ever.

During the 62-year career that preceded his retirement five years ago from the gilt-edged Toronto law firm of McCarthy Tetrault, Robinette served as the courtroom advocate for powerful individuals and commercial empires. Yet his rise to prominence began inauspiciously enough in the fall of 1946, when he agreed to handle the appeal of a seductive and promiscuous 25-year-old woman from Hamilton. Evelyn Dick was to be hanged on Jan. 7, 1947, for the murder of her husband, a streetcar conductor, whose chopped-up body was left on the mountain.

During her trial, Dick testified that she had slept with scores of men, including the son of the presiding judge. The evidence that she had killed her husband was overwhelming—traces of human bones beneath her driveway, blood in her car. But Robinette won the appeal on the grounds that police failed to warn her against making self-incriminating statements. At her second trial, the jury acquitted her. Several weeks later, Dick was charged with manslaughter when the body of her infant son was found encased in concrete. This time, Robinette failed to rescue his client—she was sentenced to life imprisonment and served 11 years. But the publicity surrounding the two cases had made him a courtroom celebrity and his practice thrived. "The Evelyn Dick case," he was quoted as saying years later with characteristic understatement, "was intellectually stimulating."

Although Robinette ultimately saved 16 clients from the gallows, he lost interest in criminal law because, he once said, the cases were too much alike. He turned to civil litigation, and his legal scholarship, ferocious preparation and succinct argument impressed judges and persuaded juries. William Parker, former associate chief justice of the Ontario High Court, said Robinette could explain a case so well that even the judge could understand it. Brian Dickson, a former chief justice of Canada, described Robinette as the best counsel the country had ever seen, adding that he had to "carefully balance John's arguments for fear of being swayed by his charm."

At the nation's highest court, that charm was frequently on display—Robinette made more appearances there than any lawyer in Canada. His most noteworthy was in 1981, when he argued successfully that the federal government could enact legislation to repatriate the Constitution from Britain without the unanimous consent of the provinces.

Last week, hundreds of judges and lawyers paid tribute. "He was a giant," said Antonio Lamer, the current chief justice of the Supreme Court of Canada. "If some lawyers, as we say, become priests of the law, then I think John Robinette was a cardinal." For several years, the Supreme Court has videotaped its proceedings and copies of the tapes are deposited in the National Archives. "My only regret," said Lamer, "is that we did not have that system in place soon enough to really capture this great, great man."

Those sentiments were widely shared. Ontario Chief Justice Roy McMurtry called Robinette "a great Canadian, perhaps the greatest lawyer this country will ever see. He inspired me as a law student and as a young lawyer." Patrick LeSage, associate chief justice of the Ontario Court of Justice, said: "He made everything appear effortless. Most of us see a mountain without knowing how to get to the top. Robinette would see a staircase and know exactly how to get there." Toronto criminal lawyer Eddie Greenspan said Robinette "was the best, the very best. He has been and always will be the standard against which all lawyers will be measured."

That standard attracted well-known clients. When Toronto Maple Leafs boss Harold Ballard was accused, along with Stafford Smythe, of misappropriating Maple Leaf Gardens funds, he hired Robinette. Smythe died before the case came to trial and the aging Ballard was eventually sentenced to three years in jail. When the federal government charged *Toronto Sun* publisher Douglas Creighton in 1978 with violating the Official Secrets Act by publishing top secret RCMP documents, he retained Robinette. The charges were subsequently dismissed for lack of evidence. For more than 30 years, Robinette was closely associated with legal issues involving the media as counsel to The Canadian Press, the national news-gathering co-operative.

Robinette suffered other losses besides the Ballard case, but only two were pivotal. The first occurred in 1952 when a client, bank robber Steve Suchan, a member of the notorious Boyd Gang, was hanged for murdering a Toronto police officer during a shootout. The devastated Robinette became an outspoken foe of capital punishment. The second defeat became inevitable five years ago when Robinette was diagnosed with Alzheimer's disease. The degenerative condition gradually obliterated a much admired and scholarly mind.

RAE CORELLI

Broadcasting

Breakfast blend

Beleaguered CBC Radio plans to merge two top shows

It is Thursday afternoon, and Ian Brown has a deadline to meet. For Brown, the affable host of CBC Radio's *Sunday Morning*, deadlines are a good thing. They keep him focused on his job, preparing and hosting a three-hour weekly radio program, rather than thinking about the future. And Brown has ample reason to be worried. Last week, CBC executives announced plans to scrap *Sunday Morning* and its weekday counterpart, *Morningside*, hosted by Peter Gzowski, who is leaving the program at the end of the current season. The network intends to replace the two flagship programs next fall with one new show that will run every day but Saturday in their 9 a.m. to noon time slot. "It could have been a lot worse," said Brown. "There could have been a lot of blood on the floor."

At least some blood will flow eventually. Last week's announcement put to rest many of the worst-case scenarios that have swirled around the two programs in the past few months—ever since 62-year-old Gzowski divulged his plans to leave *Morningside* and the network announced a 28-per-cent cut to the CBC Radio budget. But the lack of detail only created new concerns about management objectives and job security, since the *Morningside* and *Sunday Morning* staffs—a total of 30 people—*will* be merged and pared down. The one source of consolation was the appointment of 44-year-old producer Ira Basen, who has spent 12 years at CBC Radio and created the widely acclaimed sports program *The Inside Track*, to oversee the development of the new morning show. "Ira came down and talked to our people," Gzowski said. "My feeling is it cheered them up. At least something is beginning to be built instead of being torn apart."

Still, big questions remain about the shape of the new program, the hosts and the staff. Gzowski himself declined to say whether he would be involved. "I would like to have some role in the schedule," he said, "but no one has been able to figure out what it should be. It's all in flux." Alex Frame, director of programming for English radio, said that Basen agreed only early last week to take on his new assignment. Beyond making that critical appointment, CBC executives say that they may require one host for weekdays and one for Sundays. They may also opt for several hosts to handle different segments of the daily show or different days of the week. But CBC Radio executives will decide on hosts only after the format and content are settled. "We have to figure out an appropriate way of doing this program with the resources left after the cuts," says Frame. "Rationalization of resources is one way of addressing the problem. Now, it's up to the programmers and managers to come up with a design that will be effective."

Gzowski with Timothy Findley (left): new program, new hosts

PHOTO: MIKE GRANT

But many *Morningside* and *Sunday Morning* staffers were wondering whether they would be around to help develop a successor to their shows. "Not everyone with the two shows will end up with the new one," said a producer with the Sunday program, who asked not to be named. "Inevitably, some people will lose their jobs and nobody knows who those people will be." One *Morningside* veteran said that after listening to Basen for about 45 minutes she felt relieved that "the kind of show we were doing is not going to be trashed." Nevertheless, the ongoing uncertainty has left her nervous. "It's a weird environment," she said. "People would like to get excited, but it's hard to get excited about something when you won't know for months whether you'll be part of it."

Those lingering anxieties may make life much more difficult for Basen, who says that his first task will be to spend several weeks talking to staff about the new program. "My job will be to bring a lot of people into the circle," he noted, "and to get ideas from people currently working on the programs, from people in the radio service and from people outside the organization." Basen, currently senior producer of the science show *Quirks & Quarks*, has had a varied career at CBC, including three stints as a producer at *Sunday Morning*. "To me, of all the media, radio is the most challenging because you have to create something out of words and sounds," he said, adding, "I love a challenge, and this is a biggie."

For one thing, Basen must produce a high quality show with less money, and fewer resources. And his new hosts will inevitably operate, temporarily at least, in the shadow of Gzowski, who in 15 years at *Morningside* became one of the most revered figures in Canadian broadcasting. The program's current executive producer, Gloria Bishop, who is leaving at the end of the current season, said that redesigning the show is both wise and necessary because any successor would inevitably have been compared to Gzowski and suffered for it. "The alternative was to do the program we do now with someone else," she said. "And Peter carries material in ways other people just can't. The situation demands change." But change, accompanied by budget cuts and downsizing, is bound to create anxiety—and in the radically downsizing public broadcaster, casualties.

D'ARCY JENISH

Homespun fare, eh?

Two new CBC series retreat to bucolic settings

Like a national park whose boundaries are continually under siege, the CBC is a shrinking preserve of what could be called Canada's old-growth TV drama. Providing a shady refuge from the glare of American programming, CBC drama—especially family drama—has become synonymous with nostalgia for homespun values and rural roots. Although Canada's population is predominantly urban, the people's network loves cozy, bucolic settings—its tradition of airing fresh-air fare goes back to *The Beachcombers* and has continued with such shows as *Danger Bay, Anne of Green Gables, Road to Avonlea* and *North of 60*. Now, it continues with two new one-hour, 13-episode family dramas. *Black Harbour* is set in present-day Nova Scotia. *Wind at My Back* unfolds during the Great Depression in Ontario. They are independently produced by different companies, but there are some striking parallels.

Both are about dislocated families coping with hard times in small towns. Both revolve around blond, modern thirty-something mothers who have minds of their own and collide with stubborn matriarchs. And both shows dramatize the clash between tradition and progress, presenting a moral universe where the bank manager is despicable, the brother-in-law is spineless, children run away from home—and grand ambitions can be made or broken by the local historical society.

Jenkins (above left), Wyn Davies, Ziegler; Belliveau (left), a vanishing heritage

Black Harbour (premiering on Wednesday, Dec. 4 at 9 p.m.) is the more serious of the two dramas. Created by Wayne Grigsby and Barbara Samuels, the team behind *North of 60*, it presents a cultural showdown between the old-world traditions of the East Coast and the new-world presumptions of the West Coast. Katherine (Rebecca Jenkins), a Los Angeles restaurateur, and her husband, Nick (Geraint Wyn Davies), a failed film director, return to her Nova Scotia home to help her ailing mother. In the fictional fishing village of Black Harbour, the couple ride out a soap-opera series of marital bumps, then decide to abandon their Hollywood life and make a fresh start Down East.

With visions of selling refurbished lobster boats to affluent Americans, Nick tries to buy the family boatyard from his resentful brother-in-law, Len (Joseph Ziegler), who has his heart set on building a Treasure Island theme park. Caught in the middle is Len's master builder, Paul (Alex Carter), who is Katherine's old flame. Meanwhile, her readily bored teenage daughter, Tasha (Melanie Foley), is desperately homesick for Los Angeles.

Black Harbour's pilot episode seems overly freighted with thematic intent. It is hard to see the characters through the thicket of cultural stereotypes assigned to them. And what does emerge seems very cut and dried—Katherine is chronically dour, punctuating her scenes with long sighs; Nick is irrepressibly jaunty; Len is stubbornly selfish; Paul quietly smoulders. But the seasoned cast is eminently watchable, and by the second episode the script begins to loosen up. Jenkins (who won a Genie for her starring role in the 1989 movie *Bye Bye Blues*) has an arresting, edgy presence. And if the script gives her half a chance, she is capable of an emotional complexity that could transcend *Black Harbour*'s tidy little premise.

Wind at My Back (starting on Sunday, Dec. 1 at 7 p.m.) is the latest offering in Sullivan Entertainment's hugely successful line of family entertainment. The Toronto-based company, founded by film-maker Kevin Sullivan, is responsible for *Anne of Green Gables* and the hit series *Road to Avonlea*, which ended its seven-year run last season. Roughly based on a series of books by Canadian authors Max Braithwaite and Barry Broadfoot, *Wind At My Back* employs the same formula that made *Avonlea* so successful. Once again it is a story of children separated from their parents. Each episode unfolds as a hyper-eventful series of adventures on sets that are showpieces of antique decor. And every little wriggle of plot is buoyed along by a lilting sound track of incessantly cheery clarinets and strings.

Sullivan's saccharine formula may be cloying—he is Canada's answer to Disney—but it works, thanks to a strong cast. Cynthia Belliveau (from *E.N.G.*) stars as Honey, whose husband loses his job and then his life in the opening episode. Honey throws herself at the mercy of her domineering mother-in-law, May (Shirley Douglas), the matriarch of a mining company in the fictional New Bedford, Ont. But May turns Honey away, seizing custody of her two boys, and sending her young daughter to live with distant relatives. Determined to reunite with her children, Honey looks for work while her boys find a father figure in Max (James Carroll), a local bachelor who teaches Grade 5.

With its Depression setting, the series resonates with contemporary issues. The central conflict, after all, pivots on the plight of a working mother with a monumental day care problem. And the homeless appear in the form of persecuted hobos. But what gives the series its appeal is the rhythm of its storytelling, and the strength of its female characters. Belliveau makes a likable heroine. Douglas is suitably imperious. And Kathryn Greenwood brings subtle spark to her role as Grace, May's timid bachelorette daughter.

Wind at My Back and *Black Harbour* are gentle backwaters amid the heavy channel-surf of American television. Contrived with an overworked sense of cultural mandate, they reflect a desire to connect with a vanishing heritage—which makes them seem right at home on a vanishing network.

BRIAN D. JOHNSON

Wine, women, song

VARIOUS POSITIONS: A LIFE OF LEONARD COHEN
By Ira Nadel
(Random House, 325 pages, $29.95)

Leonard Cohen buried one of the first things he ever wrote. After his father died, he cut open one of his bow ties, sewed a message into it and buried it in the snow. This snapshot of the nine-year-old poet is revealing, says Ira Nadel in his frankly admiring biography, *Various Positions*. Not only did the ceremony foreshadow Cohen's lifelong devotion to what Nadel calls the fusion of "ritual and writing," but it also "preserved a link with his father which was reenacted each time he composed."

The son of a clothing manufacturer, Cohen grew up in Montreal's exclusive Westmount enclave. His maternal grandfather was a rabbinical scholar with whom he studied the Book of Isaiah. Its "combination of poetry and prose, punishment and redemption" had a lasting influence, writes Nadel. Later on, Cohen's most important mentor was poet Irving Layton. When Cohen's second poetry book, *The Spice Box of Earth*, failed to win a 1961 Governor General's Award, Layton complained: "What an arsehole of a country this is when this sort of crap [by Robert Finch] can win prizes, but Cohen's genuine lyricism can't and doesn't."

Layton attributed Cohen's brooding melancholy at least partly to his being Jewish. By the time he released his first record album in 1968, his credentials as what a U.S. reviewer called the "prince of bummers" were firmly established. According to Nadel, Cohen decided to pursue a serious singing career—despite the most monotonous voice this side of Bob Dylan—when he realized he would never be able to earn a wide audience or decent living as a writer. Not that music was a newfound interest. In his youth, Cohen had belonged to a country group and would show up at parties, guitar in hand, ready to take requests from attractive women.

A Leonard Cohen biographer seems more a disciple

Rumors of Cohen's death as a "ladies' man" are greatly exaggerated, according to *Various Positions*. That title, taken from Cohen's favorite album, not only has obvious sexual connotations, but reflects a dictum of Cohen's Zen master, Joshu Sasaki Roshi: "A Zen man has no attachments." Or, as Cohen puts it, "I have never loved a woman for herself alone, but because I was caught up in time with her, between train arrivals and train departures." Of his numerous romances, only two have been long-term: one with Marianne Ihlen, the other with Suzanne Elrod, his former wife and mother of his two children.

In recent years, three tribute albums and Cohen's own *The Future* (1992) and *Cohen Live* (1994) have attested to a widespread popularity that came while he was spending much of his time at Roshi's California Zen centre. In Roshi, Cohen, now 62, has found perhaps his most important guru. In Nadel, who documents rather than analyzes, he has found less a biographer than a disciple.

MORTON RITTS

Jewish provocateur


Sherman: indicting Israel for its handling of Palestinians

An iconoclast probes his identity onstage

Brash young playwright Jason Sherman has become a darling of Canadian theatre At 34, he has received just about every public arts grant there is Critics across the country give him raves His 1994 work *Three in the Back, Two in the Head*, inspired by Canadian arms dealer Gerald Bull, won a 1995 Governor General's Award Sherman got the 1992 Chalmer's Canadian Play Award for *The League of Nathans*, the first of his ongoing series on Jewish identity and Israeli politics. Now that his latest, *Reading Hebron*, has opened to a standing ovation at Toronto's fringe Factory Theatre, that somewhat inflated bubble seems unlikely to burst in the near future

Sherman's onstage double, the tormented Nathan Abramowitz (Michael Healey), sets out to research Israel's inquiry into Jewish settler Baruch Goldstein's 1994 massacre of 29 Muslims in Hebron The playwright trots out a cartoonish parade of personalities—including Palestinian politician Hanan Ashrawi, linguist activist Noam Chomsky and film maker Steven Spielberg—to show that the murders were not the work of a lone madman but the inevitable result of Israeli policies toward Palestinians—and a North American racism that dehumanizes Arabs

Not a bad theatrical premise But Sherman has written a confused polemic, weakened by lurid stereotypes (yet another overbearing Jewish mother) and gratuitous sex scenes, including one that degrades the granddaughter of slain Israeli leader Yitzhak Rabin There is also an ugly send-up of Orthodox Jews collecting the body parts of Jerusalem bus bomb victims so they can be buried whole, according to Jewish law If he were not himself Jewish Sherman would no doubt be run out of town

Like *The Retreat* earlier this year, *Reading Hebron* has already angered many in the Jewish community, who fault Sherman more for being preachy and one dimensional than for taking aim at the sacred cows of North American Jewish life the Holocaust and Israel The playwright shrugs off complaints that he has never even visited Israel "I live here " Sherman says simply "If I went to Israel people would say, 'How can you write about these things? You were only there for three weeks.' "

There is a solid niche for the irreverent Sherman in the Canadian theatre scene He gains points for honesty and self-mockery "There are no answers, only positions," one character tells Nathan, about the Middle East conflict But Sherman is not the only artist probing Jewish issues on stage at a time when audiences have become increasingly interested in ethnic identity Playing near *Reading Hebron* is *Still the Night*, actor-writer Theresa Tova's musical about a Jewish woman who survives the Second World War in the forests of Poland before immigrating to Calgary Tova dares to paint an unflattering picture of a Holocaust survivor, but unlike Sherman, she brings insight and humanity to her characters

Among his other projects, the prolific Sherman is working on an adaptation, to play this spring at the Manitoba Theatre Centre in Winnipeg of Irving Abella's and Harold Troper's book *None is Too Many*, which exposed Canada's shut-door policy towards Jewish refugees That may prove safer terrain But perhaps the playwright might one day use his satirical-autobiographical pen to probe why the Canadian culturati have taken such delight in a Jewish enfant terrible

NOMI MORRIS

Sexual healing

BREAKING THE WAVES
Directed by Lars von Trier

The European art film, so popular during the 1960s, has all but vanished from the North American screen. There are exceptions—such as 1995's lavishly marketed *Il Postino*—but on the whole viewers on this side of the Atlantic seem to have lost their ability to chew popcorn and read subtitles at the same time. Some foreign films, however, are becoming more user-friendly. Danish director Lars von Trier has followed up his obliquely surreal masterpiece, *Zentropa* (1992), with the far more accessible, and subtitle-free, *Breaking the Waves*, a harrowing drama of obsessive love filmed entirely in English.

Winner of the (second-place) Grand Jury Prize in Cannes last May, it combines the trappings of a European art film with the visceral wallop of an *ER* episode. The story is set in the 1970s, on a desolate stretch of Scotland's northwest coast, the sort of austere, bone-chilling landscape that would make characters from an Ingmar Bergman movie feel right at home. Bess (Emily Watson) is a painfully naive virgin who falls in love with a worldly oil-rig worker named Jan (Stellan Skarsgård). Against the advice of her community, which is ruled by a strict puritan sect, they marry. He goes back to work on the rig, and she prays for his speedy return—which happens all too soon after an accident leaves him paralyzed and brain-damaged. From his hospital bed, Jan perversely exploits his wife's devotion—asking her to prove her love by having sex with other men. And Bess becomes convinced that carnal sacrifice is the key to Jan's recovery.

Conveying an eerie, childlike delusion, British newcomer Emily Watson is devastating. When Bess prays, she speaks *both* sides of the dialogue with God, as duelling voices of a split personality. She is a St. Joan of the gender wars, and von Trier tracks her martyrdom with dizzying documentary realism, shooting almost the entire, 160-minute movie in a handheld style. Yet he frames his narrative with surreal chapter-headings—landscape tableaus painted in psychedelic hues and accompanied by '70s hits from the likes of Elton John, David Bowie and Procul Harum. And he tacks on an ending that is downright wacky. But, then again, an artiste cannot be expected to breach the mainstream without breaking some waves.

BRIAN D. JOHNSON

Allan Fotheringham

A confrontation at Pearson College

ROY PETERSON

First of all, the site is stunning. Sylvan forest looking out at the Pacific, on the tip of Vancouver Island, an hour outside Victoria. Tom Thomson trees lean into the wind. A cove snuggles in, seal lions intrude, birds swoop and we are in paradise.

This would be the Lester B. Pearson College of the Pacific, an idealistic dream where the cream of international kids come to study—and of course solve all the world's variegated problems. If you're going to be bright, you might as well have the best surroundings.

This is an offshoot, technically, of Germany's Kurt Hahn, who founded the celebrated Gordonstoun school in Scotland, where Prince Philip was educated and forced son Charles to attend—cold showers and rugby and all that—and we know what happened to him.

Adultery, however, was not the main goal. When something called the United World College was invented along the same lines, Pearson College was then opened in 1974 as one of only three—one in Wales and another in Singapore. Since then, six more have followed—in Italy, the United States, Swaziland, Venezuela, Hong Kong and Norway.

This lovely spot, of course, is meant to be Canada's memorial to Lester Pearson, our one and only Nobel Peace Prize laureate. The droll guy who initiated it, Vancouver's John Nichol, as far as we know was the first chap who had the bravery to voluntarily resign from the Senate before his term was up because, as he explained, Liberal guru Keith Davey's view of Canada "was everything that can be seen from the roof of the Royal York hotel in Toronto."

The past chairman of the Pearson board was Galen Weston, the cookie king. The new one is Jimmy Coutts, about whom I cannot comment because he is suing me for libel and won't drop the case. He has told his friends, as I've explained on this page before, that all he wants in settlement is enough to buy a baby grand that he would then label with a silver plaque as "The Foth" and then invite his friends around to "have a tinkle on The Foth."

The College is a dazzling experiment, plucking bright kids from around the world to throw them into an isolated retreat far from civilization and submitted to cafeteria food, to think things out. There are 200 of them here on the Pacific shore, from some 73 countries. They have one thing in common. The dress mode is heavy grunge.

One instructor meditatively but fondly, warns an intruder that most of them "are stuck in the 1970s." The grungers from around the world, basically last year high school and first year university here for the two-year baccalaureate, are on full scholarship, costing some $25,000 a year.

They boast, on their "international days," of absolutely savaging their Greenpeace visitors and leaving in shreds the Amnesty International innocents lured into their lair.

There is nothing so interesting to witness as the arrogance of youth. It's been said that anyone at 20 who is not a socialist does not have a heart and anyone at 30 who is not a conservative does not have a head.

The kids at Pearson are lovely examples of that maxim. The pinioned victim this segment, as the astonished Greenpeace and Amnesty International nails before, is someone supposedly invited to defend all the sins of journalism going back to when they chipped in stone.

When the shy defender of the flawed press suggests that the way to improve things is to buy the better papers—the "best and brightest" in the audience being the prime example—there is an audible groan.

The astonished guest, viewing 200 of the world's elite, demands: "Stand up, everyone in this theatre who does not think of themselves as the best and brightest!" Two thirds of those present stand.

Oh dear. We have a problem here. It is, the journalistic scribbler explains, a problem of reverse snobbery. Such is the tight-assed political correctness of the day that even the privileged, the lucky ones who are bright enough to get free air fare to a site so blissful as to be a dream, feel guilty about it.

These are prep school Rhodes Scholars. But they are ashamed of it. In the college's first year they wore uniforms. Now, there is an internal debate whether they should have such a thing as a "student council"—elitism and all that. Team sports? Well, wouldn't that encourage unhealthy competition rather than fuzzy warmness?

It's wonderful to observe. The most charming guy on campus is from Norway, instantly willing to take the mickey out of anyone, mainly a wondering visitor. The most obvious leader of the whole pack is one of the female persuasion from Halifax, her confidence and carriage identifying her as a ballet student, now interviewing for a scholarship to Cambridge.

There are rules about booze, and about sex in the dorms, which would most amuse Lester Pearson's wife, Maryon, whose famous quote was that "behind every successful man stands a surprised woman."

The kids at Pearson are a hoot. They pretend to be not what they are. The arrogance of youth is the best hope for the world. It's all we've got.

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